

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1922. Petition of 52 citizens of Lamar, Barton County, Mo., protesting against House bill 7479, migratory bird refuge bill; to the Committee on Agriculture.

1923. Petition of the Protestant churches of the village of Arcade, N. Y., opposing any modification of the prohibition law; to the Committee on the Judiciary.

1924. By Mr. BIXLER: Petition of C. S. Crawford and other residents of Ridgway, Pa., protesting against any change in the eighteenth amendment and the Volstead law; to the Committee on the Judiciary.

1925. Also, petition of Rev. J. E. Iams and other residents of Johnsonburg, Pa., protesting against any change in the eighteenth amendment and Volstead law; to the Committee on the Judiciary.

1926. Also, petition of members of Bethlehem Lutheran Church, of Ridgway, Pa., protesting against any change in the eighteenth amendment and Volstead law; to the Committee on the Judiciary.

1927. Also, petition of M. P. Shanley and other residents of Ridgway, Pa., protesting against any change in the eighteenth amendment and Volstead law; to the Committee on the Judiciary.

1928. Also, petition of the McKee Reed Missionary Society of the United Presbyterian Church of Oil City, Pa., urging the Sunday rest bill for the District of Columbia (H. R. 10311); to the Committee on the Judiciary.

1929. By Mr. EDWARDS: Petition of the Public Service Commission of the State of Georgia, indorsing and approving the bid of the Muscle Shoals Distributing Co. for Muscle Shoals; to the Committee on Military Affairs.

1930. By Mr. FULLER: Petition of Charles N. Gorham and others, protesting against the passage of the Fitzgerald bill (H. R. 487); to the Committee on the District of Columbia.

1931. Also, petition of J. C. Kline and others, urging early and favorable consideration of the Federal farm board bill; to the Committee on Agriculture.

1932. By Mr. GALLIVAN: Petition of Boston Central Labor Union, P. H. Jennings, secretary and business representative, 987 Washington Street, Boston, Mass., protesting against legislation providing for the fingerprinting and photographing of all noncitizens; to the Committee on Immigration and Naturalization.

1933. By Mr. GARNER of Texas: Memorial of Texas Retail Dry Goods Association, favoring a readjustment of postal rates; to the Committee on the Post Office and Post Roads.

1934. By Mr. JOHNSON of Texas: Petitions of parties opposing modification of the Volstead or national prohibition law, and urging its strict enforcement, to wit, Pastors' Association, of Corsicana, Tex., by Rev. D. A. Chisholm, president, and W. S. Goode, secretary, and Charles E. Bullock and 199 other citizens of Hearne, Tex.; to the Committee on Alcoholic Liquor Traffic.

1935. Also, petitions of individuals and organizations favoring Senate bill 750, to wit, telegram from Dr. J. B. Barnett, J. E. Barnett, B. B. Barron, and Homer T. Wilson, all of Thornton, Tex.; Groesbeck (Tex.) Chamber of Commerce and Advertising Club; Chamber of Commerce of Normangee, Tex.; officials of Texas Travelers' Protective Association (Texas division); and Lumbermen's Association of Texas, by J. C. Dionne, secretary; to the Committee on Interstate and Foreign Commerce.

1936. By Mr. KETCHAM: Petition of 75 residents of Hastings Mich., and vicinity, protesting against House bills 7822 and 7179, Sunday observance bills; to the Committee on the District of Columbia.

1937. By Mr. KINDRED: Petition of the Far Rockaway Auxiliary attached to Post No. 423, favoring bill 10240, the Fitzgerald and the Green bill; to the Committee on World War Veterans' Legislation.

1938. By Mr. LUCE: Petition of Grace Congregational Church, Framingham, Mass., protesting against modification of the Volstead Act; to the Committee on the Judiciary.

1939. By Mr. MORROW: Petition of Woman's Christian Temperance Union, East Las Vegas, N. Mex., protesting against modification of the Volstead Act; to the Committee on the Judiciary.

1940. By Mr. O'CONNELL of New York: Petition of Ralph H. Overbaugh, general attorney of the Western Union Telegraph Co., of New York, opposing the passage of House bill 487, which prevents a financially responsible employer from carrying its own risks under the act; to the Committee on the District of Columbia.

1941. Also, petition of the Workers' Health Bureau of America, located in New York City, favoring the passage of the Fitzgerald bill (H. R. 487), providing workman's compensation to workers employed in the District of Columbia; to the Committee on the District of Columbia.

1942. Also, petition of George Bird Grinnell, of 236 East Fifteenth Street, New York City, favoring the passage of the game refuge and marshland bill (S. 2607 and H. R. 7479); to the Committee on Agriculture.

1943. Also, petition of Miss Katherine W. Smith, of New York City, favoring the passage of the game refuge and marshland conservation bill (H. R. 7479); to the Committee on Agriculture.

1944. Also, petition of the Merchants' Association of New York, favoring the creation of a national police bureau; to the Committee on the Judiciary.

1945. By Mr. TINKHAM: Resolution of the Boston Central Labor Union, protesting against the passage of all bills providing for the registration, finger printing, and photographing of all noncitizens; to the Committee on Immigration and Naturalization.

1946. By Mr. WATSON: Petition of Donald McLeod Post, No. 336, American Legion, North Wales, Pa., favoring the passage of House bills 6381, 7082, and 10240; to the Committee on World War Veterans' Legislation.

1947. Also, petition of Montgomery County L. A. A. C. H., Norristown, Pa., protesting against the Curtis-Reed bill regarding Federal control of education; to the Committee on Education.

1948. By Mr. WELSH: Memorial adopted by the Philadelphia Board of Trade, favoring enactment of House bill 4, to assure compensation for accidental injuries or death of employees in certain occupations in the District of Columbia; to the Committee on the District of Columbia.

SENATE

TUESDAY, April 27, 1926

(Legislative day of Monday, April 19, 1926)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Ferris	Keyes	Ransdell
Bayard	Fess	King	Reed, Mo.
Bingham	Frazier	La Follette	Robinson, Ark.
Blease	George	Lenroot	Sackett
Borah	Gerry	McKellar	Sheppard
Bratton	Gillett	McLean	Shipstead
Broussard	Glass	McMaster	Shortridge
Bruce	Goff	McNary	Simmons
Butler	Gooding	Mayfield	Smoot
Cameron	Greene	Means	Stanfield
Caraway	Hale	Metcalf	Steck
Copeland	Harrell	Neely	Stephens
Couzens	Harris	Norbeck	Swanson
Curtis	Harrison	Norris	Trammell
Dale	Heflin	Nye	Wadsworth
Deneen	Howell	Oddie	Warren
Dill	Johnson	Overman	Watson
Edge	Jones, N. Mex.	Pepper	Weller
Edwards	Jones, Wash.	Phillips	Willis
Ernst	Kendrick	Pine	

Mr. CURTIS. I desire to announce the absence of my colleague [Mr. CAPPER] on account of illness in his family. I will let this announcement stand for the day.

Mr. GERRY. I wish to announce that the junior Senator from Montana [Mr. WHEELER] is necessarily detained from the Chamber. I desire that this announcement shall stand for the day.

The VICE PRESIDENT. Seventy-nine Senators having answered to their names, a quorum is present.

INTERNATIONAL PARLIAMENTARY CONFERENCE OF COMMERCE

The VICE PRESIDENT laid before the Senate a communication from the Secretary of State, transmitting an invitation for American representation at the forthcoming meeting at London of the International Parliamentary Conference of Commerce, which was referred to the Committee on Foreign Relations.

SESQUICENTENNIAL CELEBRATION AT WILLIAMSBURG, VA.

The VICE PRESIDENT. In appointing Senators SWANSON, BORAH, GLASS, BINGHAM, and BRUCE as the committee on the part of the Senate under House Concurrent Resolution No. 13 a mistake was made and the committee was named under

House Concurrent Resolution No. 22. The Secretary is directed to make the correction and to name the committee under House Concurrent Resolution No. 13, providing for the observance of May 15, 1926, as the one hundred and fiftieth anniversary of the passage of a resolution by the Virginia Convention of 1776 proposing that Congress make a declaration of independence, and extending to the President and Congress of the United States an invitation to participate in a celebration at Williamsburg, Va.

PETITIONS AND MEMORIALS

Mr. EDWARDS. Mr. President, I send to the desk two resolutions which I ask may be printed in the RECORD and appropriately referred:

There being no objection, the resolutions were ordered to be printed in the RECORD and referred as indicated.

To the Committee on Civil Service:

Hon. EDWARD I. EDWARDS,
Washington, D. C.:

Whereas we are of the firm belief that an adequate and equitable retirement system for employees in the classified civil service of the United States is highly essential in the best interests of efficient Government service; and

Whereas the executives of many departments of the Federal Government have found the existing Federal retirement law to be inadequate to provide for superannuated employees because of the meager annuities paid and high age limits required which has prompted recommendations for liberalization; and

Whereas a bill now pending before Congress exacts increased deductions from the salaries of the employees to 4 per cent which will add approximately \$30,000,000 annually to the balance of \$52,000,000 now in the retirement fund, thus obviating the necessity for any appropriation by the Government for many years to come: Therefore be it

Resolved, That the officers and members of N. A. L. C. Branch No. 1492 in meeting assembled on April 6, 1926, do hereby petition the Sixty-ninth Congress of the United States to give immediate favorable consideration to the Stanfield-Lehlbach retirement bill S. 786 and H. R. 7 providing for the maximum annuity of \$1,200 per annum with optional retirement after 30 years of service at the ages of 60, 62, and 65, and urge that a vote be taken on this measure at an early date before adjournment of Congress.

[SEAL.]

GEORGE A. CLARK, *President*.
PERRY G. H. LONG, *Secretary*.

To the Committee on the Judiciary:

FIRST CHURCH OF CHRIST, SCIENTIST,
Hoboken, N. J., April 20, 1926.

Whereas the eighteenth amendment to the Constitution represents the largest step forward toward human freedom from the slavery of drink; and

Whereas the benefits derived are so tangible as to be irrefutable; and

Whereas a fuller enforcement is not only possible but imperative:

Resolved, That we, the board of trustees of First Church of Christ, Scientist, Hoboken, N. J., hereby pledge our fullest moral support toward complete observance of the law and a more efficient administration thereof.

N. M. KESSLER, *Clerk*.

Mr. ROBINSON of Arkansas presented a letter from Mr. Guy Dickinson, of the Big Rock Stone Co., of Little Rock, Ark., requesting that the Veterans' Bureau direct an inspector be assigned to investigate and report on the bill (S. 3985) to convey to the Big Rock Stone Co. a portion of the hospital reservation of the United States Veterans' Hospital No. 78, Fort Roots, Ark., which was referred to the Committee on Finance.

Mr. PEPPER presented a petition of the Philadelphia (Pa.) Board of Trade, praying for the passage of Senate bill 3681, to upbuild the American Merchant Marine in foreign trade, etc., which was referred to the Committee on Commerce.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, remonstrating against the passage of House bill 9498, providing compensation for death or injuries in certain maritime employment, which was referred to the Committee on the Judiciary.

He also presented a petition of the Philadelphia (Pa.) Board of Trade, praying for the passage of House bill 4, being a bill "to assure compensation for accidental injuries or death of employees in certain occupations in the District of Columbia," which was referred to the Committee on the District of Columbia.

He also presented a memorial of the Philadelphia (Pa.) Board of Trade, protesting against the passage of House bill 487, being a bill "creating the District of Columbia insurance fund for the benefit of employees injured and the dependents of

employees killed in employment," etc., which was referred to the Committee on the District of Columbia.

GOOD ROADS APPROPRIATIONS

Mr. BLEASE. Mr. President, I have a telegram from Rear Admiral McGowan, State highway commissioner of South Carolina, that I would like to have read in order that it may appear in the RECORD and referred to the Committee on Post Offices and Post Roads.

The VICE PRESIDENT. Without objection, the clerk will read as requested, and the telegram will be referred to the Committee on Post Offices and Post Roads.

The Chief Clerk read as follows:

COLUMBIA, S. C., April 26, 1926.

Hon. COLE L. BLEASE,

United States Senate, Washington, D. C.:

We are informed that Senate Roads Committee is considering reduction in the Federal-aid appropriation to less than \$75,000,000. South Carolina is spending about five million per year of its own money on roads, with several additional millions provided by counties. We get only about one million Federal aid from seventy-five million appropriation, and see no occasion for considering reduction. Federal aid tremendously valuable to this State, particularly in securing a connected system. We could use twice the present amount. Please see that no reduction is made.

SAMUEL MCGOWAN,
Chief Highway Commissioner.

REPORT OF THE CLAIMS COMMITTEE

Mr. STEPHENS, from the Committee on Claims, to which was referred the bill (S. 2525) for the relief of Maria Maykovic, reported it with an amendment and submitted a report (No. 676) thereon.

CHANGE OF REFERENCE

Mr. WARREN, from the Committee on Appropriations, to which was referred the joint resolution (H. J. Res. 100) to authorize the Secretary of War to expend not to exceed \$125,000 for the protection of Government property adjacent to Lowell Creek, Alaska, asked that the committee be discharged from its further consideration and that the joint resolution be referred to the Committee on Territories and Insular Possessions, which was agreed to.

OHIO RIVER BRIDGE NEAR STEUBENVILLE, OHIO

Mr. BINGHAM. Mr. President, from the Committee on Commerce I report back favorably with amendments the bill (H. R. 9348) granting the consent of Congress to the Weirton Bridge & Development Co. for the construction of a bridge across the Ohio River near Steubenville, Ohio.

Mr. WILLIS. Mr. President, I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments of the Committee on Commerce were, in section 1, page 2, line 3, after the word "act," to strike out "the construction of such bridge shall not be commenced, nor shall any alterations in the plans for the same be made either before or after its completion, until the plans and specifications for the bridge, or for alterations in the plans thereof, have been submitted to the Secretary of War and the Chief of Engineers, and approved by them as being adequate for the volume and weight of traffic that will pass over it"; in section 6, page 5, line 3, after the words "Secretary of," to strike out "agriculture" and insert "war"; in line 8, before the word "may," to strike out "agriculture" and insert "war"; in line 14, before the word "as," to strike out "agriculture" and insert "war"; and in line 15, before the word "mistake" to insert "gross."

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

WHITE RIVER BRIDGE, ARKANSAS

Mr. BINGHAM. From the Committee on Commerce I report back favorably with an amendment the bill (H. R. 7904) granting the consent of Congress to Harry E. Bovay, of Stuttgart, Ark., to construct, maintain, and operate a bridge across the White River, at or near the city of Des Arc, in the county of Prairie, in the State of Arkansas, and I submit a report (No. 675) thereon.

Mr. ROBINSON of Arkansas. Mr. President, I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment of the Committee on Commerce was to strike out all after the enacting clause and in lieu thereof to insert:

That the consent of Congress is hereby granted to Des Arc Bridge Co., and to its successors and assigns, to construct, maintain, and operate a bridge and approaches thereto across the White River, at a point suitable to the interests of navigation, between White River and Calhoun Townships, at or near the city of Des Arc, in the county of Prairie, in the State of Arkansas, in accordance with the provisions of the act entitled "An act to regulate the construction of bridges over navigable waters," approved March 23, 1906, and subject to the conditions and limitations contained in this act.

SEC. 2. The said Des Arc Bridge Co., and its successors and assigns, are hereby authorized to fix and charge tolls for transit over such bridge, and the rates so fixed shall be the legal rates until changed by the Secretary of War under the authority contained in such act of March 23, 1906.

SEC. 3. After the date of completion of such bridge, as determined by the Secretary of War, either the State of Arkansas, any political subdivision thereof within which any part of such bridge is located, or two or more of them jointly, may at any time acquire and take over all right, title, and interest in such bridge and approaches, and interests in real property necessary therefor, by purchase or by condemnation in accordance with the law of such State governing the acquisition of private property for public purposes by condemnation. If at any time after the expiration of 15 years after the completion of such bridge it is acquired by condemnation, the amount of damages or compensation to be allowed shall not include good will, going value, or prospective revenues or profits, but shall be limited to the sum of (1) the actual cost of constructing such bridge and approaches, less a reasonable deduction for actual depreciation in respect of such bridge and approaches, (2) the actual cost of acquiring such interests in real property, (3) actual financing and promotion costs (not to exceed 10 per cent of the sum of the cost of construction of such bridge and approaches and the acquisition of such interests in real property), and (4) actual expenditures for necessary improvements.

SEC. 4. If such bridge shall at any time be taken over or acquired by any municipality or other political subdivision or subdivisions of the State of Arkansas under the provisions of section 3 of this act, and if tolls are charged for the use thereof, the rates of toll shall be so adjusted as to provide a fund sufficient to pay for the cost of maintaining, repairing, and operating the bridge and its approaches, and to provide a sinking fund sufficient to amortize the amount paid for such bridge and its approaches as soon as possible under reasonable charges, but within a period of not to exceed 30 years from the date of acquiring the same. After a sinking fund sufficient to amortize the cost of acquiring the bridge and its approaches shall have been provided, such bridge shall thereafter be maintained and operated free of tolls, or the rates of toll shall thereafter be so adjusted as to provide a fund of not to exceed the amount necessary for the proper care, maintenance, and operation of the bridge and its approaches. An accurate record of the amount paid for the bridge and its approaches, the expenditures for operating, repairing, and maintaining the same, and of daily tolls collected shall be kept, and shall be available for the information of all persons interested.

SEC. 5. The said Des Arc Bridge Co., or its successors and assigns, shall, within 90 days after the completion of such bridge, file with the Secretary of War a sworn itemized statement showing the actual original cost of constructing such bridge and approaches, including the actual cost of acquiring interests in real property and actual financing and promotion costs. Within three years after the completion of such bridge, the Secretary of War may investigate the actual cost of such bridge, and for such purpose the Des Arc Bridge Co., its successors and assigns, shall make available to the Secretary of War all of its records in connection with the financing and construction thereof. The findings of the Secretary of War as to such actual original cost shall be conclusive, subject only to review in a court of equity for fraud or gross mistake.

SEC. 6. The right to sell, assign, transfer, and mortgage all the rights, powers, and privileges conferred by this act is hereby granted to the said Des Arc Bridge Co., its successors or assigns, and any corporation to which such rights, powers, and privileges may be sold, assigned, or transferred, or which shall acquire the same by mortgage foreclosure or otherwise, is hereby authorized and empowered to exercise the same as fully as though conferred herein directly upon such corporation.

SEC. 7. The right to alter, amend, or repeal this act is hereby expressly reserved.

Mr. ROBINSON of Arkansas. That is the usual amendment to conform with the policy of the committee?

Mr. BINGHAM. It is.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

The title was amended so as to read: "A bill granting the consent of Congress to Des Arc Bridge Co. and its successors and assigns to construct a bridge across the White River at Des Arc, Ark."

TENNESSEE RIVER BRIDGE, HUMPHREYS AND BENTON COUNTIES, TENN.

Mr. BINGHAM. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 9505) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Waverly-Camden road between Humphreys and Benton Counties, Tenn.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments of the Committee on Commerce were, in section 1, page 2, line 2, after the numerals "1906," to strike out the colon and the proviso "Provided, That such bridge shall not be constructed or commenced until the plans and specifications thereof shall have been submitted to and approved by the Secretary of War and the Chief of Engineers as being also adequate from the standpoint of the volume and weight of the traffic which will pass over it," and to insert a comma and "and subject to the conditions and limitations contained in this act"; and on the same page, after line 14, to strike out the following paragraph:

If tolls are charged for the use of such bridge, the proceeds therefrom shall be applied for the payment of expenditures necessary to properly maintain, operate, and repair such bridge and its approaches, and to provide a sinking fund for amortizing the cost of constructing the same; and the rates of toll shall be so adjusted as to pay such expenditures and to amortize such cost as early as practicable after the completion of the bridge. For that purpose the State highway department shall keep an accurate and itemized record of the cost of constructing such bridge, the expenditures incurred in maintaining, operating, and repairing the same, and of the daily tolls collected. After a sinking fund sufficient to repay the State of Tennessee for the cost of constructing such bridge has been provided from the tolls thereof, the same shall be maintained and operated as a free bridge.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TENNESSEE RIVER BRIDGE AT SAVANNAH, TENN.

Mr. BINGHAM. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 9503) granting permission to the State highway commission of the State of Tennessee to construct a bridge across the Tennessee River at Savannah, Hardin County, Tenn., on the Savannah-Selmer road.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments of the Committee on Commerce were, in section 1, page 2, line 1, after the numerals "1906," to strike out the colon and the following proviso: "Provided, That such bridge shall not be constructed or commenced until the plans and specifications thereof shall have been submitted to and approved by the Secretary of War and the Chief of Engineers as being also adequate from the standpoint of the volume and weight of the traffic which will pass over it," and insert a comma and "and subject to the conditions and limitations contained in this act"; and on the same page, after line 12, to strike out the following paragraph:

If tolls are charged for the use of such bridge, the proceeds therefrom shall be applied for the payment of expenditures necessary to properly maintain, operate, and repair such bridge and its approaches, and to provide a sinking fund for amortizing the cost of constructing the same; and the rates of toll shall be so adjusted as to pay such expenditures and to amortize such cost as early as practicable after the completion of the bridge. For that purpose the State highway

department shall keep an accurate and itemized record of the cost of constructing such bridge, the expenditures incurred in maintaining, operating, and repairing the same, and of the daily tolls collected. After a sinking fund sufficient to repay the State of Tennessee for the cost of constructing such bridge has been provided from the tolls thereof the same shall be maintained and operated as a free bridge.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

CUMBERLAND RIVER BRIDGE, TENN.

Mr. BINGHAM. Mr. President, from the Committee on Commerce I report back favorably with amendments the bill (H. R. 9494) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Cumberland River on the Gainesboro-Red Boiling Springs road in Jackson County, Tenn.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the present consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment of the Committee on Commerce was, in section 1, page 2, line 2, after the numerals "1906," to strike out the colon and the following proviso: "Provided, That such bridge shall not be constructed or commenced until the plans and specifications thereof shall have been submitted to and approved by the Secretary of War and the Chief of Engineers as being also adequate from the standpoint of the volume and weight of the traffic which will pass over it," and insert a comma and "and subject to the conditions and limitations contained in this act."

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

TENNESSEE RIVER BRIDGE, PERRY AND DECATUR COUNTIES, TENN.

Mr. BINGHAM. From the Committee on Commerce I report back favorably with amendments the bill (H. R. 9506) granting the consent of Congress to the highway department of the State of Tennessee to construct a bridge across the Tennessee River on the Linden-Lexington road in Perry and Decatur Counties, Tenn. I call the bill to the attention of the Senator from Tennessee.

Mr. McKELLAR. Mr. President, I ask unanimous consent for the immediate consideration of the bill.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendments of the Committee on Commerce were, in section 1, page 2, line 1, after the numerals "1906," to strike out the colon and the following proviso: "Provided, That such bridge shall not be constructed or commenced until the plans and specifications thereof shall have been submitted to and approved by the Secretary of War and the Chief of Engineers as being also adequate from the standpoint of the volume and weight of the traffic which will pass over it," and insert a comma and "and subject to the conditions and limitations contained in this act"; and on the same page, after line 13, to strike out the following paragraph:

If tolls are charged for the use of such bridge, the proceeds therefrom shall be applied for the payment of expenditures necessary to properly maintain, operate, and repair such bridge and its approaches, and to provide a sinking fund for amortizing the cost of constructing the same; and the rates of toll shall be so adjusted as to pay such expenditures and to amortize such cost as nearly as practicable after the completion of the bridge. For that purpose the State highway department shall keep an accurate and itemized record of the cost of constructing such bridge, the expenditures incurred in maintaining, operating, and repairing the same, and of the daily tolls collected. After a sinking fund sufficient to repay the State of Tennessee for the cost of constructing such bridge has been provided from the tolls thereof, the same shall be maintained and operated as a free bridge.

The amendments were agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The amendments were ordered to be engrossed and the bill to be read a third time.

The bill was read the third time and passed.

LXVII—521

BILLS AND JOINT RESOLUTION INTRODUCED

Bills and a joint resolution were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. NEELY:

A bill (S. 4108) granting an increase of pension to Mary F. Laird; to the Committee on Pensions.

By Mr. WILLIS:

A bill (S. 4109) granting an increase of pension to Katherine Wert (with accompanying papers); to the Committee on Pensions.

By Mr. TRAMMELL:

A bill (S. 4110) providing that freight, express, and passenger rates shall not be increased without authority of the Interstate Commerce Commission and providing that shippers shall be given at least 60 days' notice of hearings on application for increase of rates; to the Committee on Interstate Commerce.

A bill (S. 4111) providing for public notice relative to the selection of proposed sites and locations for post offices; to the Committee on Post Offices and Post Roads.

By Mr. FESS:

A joint resolution (S. J. Res. 101) authorizing the Joint Committee on the Library to procure an oil portrait of the late President Warren G. Harding; to the Committee on the Library.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Chaffee, one of its clerks, announced that the House had passed without amendment the bill (S. 2982) to provide for the conveyance of certain land owned by the District of Columbia near the corner of Thirteenth and Upshur Streets NW., and the acquisition of certain land by the District of Columbia in exchange for said part to be conveyed, and for other purposes.

The message also announced that the House had disagreed to the amendments of the Senate to the bill (H. R. 4007) to amend an act approved June 20, 1910, entitled "An act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States"; requested a conference with the Senate on the disagreeing votes of the two Houses thereon, and that Mr. SINNOTT, Mr. SMITH, and Mr. MORROW were appointed managers on the part of the House at the conference.

The message further announced that the House had passed bills of the following titles, in which it requested the concurrence of the Senate:

H. R. 5823. An act to amend the Code of Law for the District of Columbia in relation to the qualifications of jurors; and

H. R. 7286. An act to provide for the acquisition of property in Prince William County, Va., to be used by the District of Columbia for the reduction of garbage, in which it requested the concurrence of the Senate.

The message also announced that the House had agreed to the amendment of the Senate to the concurrent resolution (H. Con. Res. 13) providing for the observance of May 15, 1926, as the one hundred and fiftieth anniversary of the passage of a resolution by the Virginia Convention of 1776 proposing that Congress make a declaration of independence and extending to the President and Congress of the United States an invitation to participate in a celebration at Williamsburg, Va.

ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The message further announced that the Speaker of the House had affixed his signature to the following enrolled bills and joint resolutions, and they were thereupon signed by the Vice President:

S. 43. An act authorizing the President to issue an appropriate commission and honorable discharge to Joseph B. Maccabe;

S. 493. An act for the relief of the owner of the steamship *British Isles*;

S. 494. An act for the relief of all owners of cargo aboard the American steamship *Almirante* at the time of her collision with the U. S. S. *Hisko*;

S. 553. An act for the relief of Fred V. Plomteaux;

S. 613. An act for the relief of Archibald L. Macnair;

S. 850. An act for the relief of Robert A. Pickett;

S. 959. An act for the relief of Tena Pettersen;

S. 977. An act for the relief of A. V. Yearsley;

S. 1360. An act for the relief of the estate of William P. Nisbett, sr., deceased;

S. 1481. An act to authorize the President to appoint Capt. Curtis L. Stafford a captain of Cavalry in the Regular Army;

S. 1486. An act to authorize the Secretary of War to lease to the Bush Terminal Railroad Co. and to the Long Island Railroad use of railway tracks at Army supply base, South Brooklyn, N. Y.;

S. 1519. An act for the relief of the P. Dougherty Co.;

S. 1609. An act to increase the pensions of those who have lost limbs, or have been totally disabled in the same, or have become totally blind in the military or naval service of the United States;

S. 1803. An act for the relief of Walter W. Price;

S. 1938. An act to issue a patent to John H. Bolton;

S. 2368. An act for the relief of Ocean Steamship Co. (Ltd.), a British corporation;

S. 3538. An act authorizing the Secretary of the Interior to pay legal expenses incurred by the Sac and Fox Tribe of Indians of Oklahoma;

H. R. 2009. An act for the relief of C. M. Rodefer;

H. R. 6773. An act to authorize the settlement of the indebtedness of the Kingdom of Italy to the United States of America;

H. R. 7372. An act to amend section 27 of the general leasing act approved February 25, 1920 (41 Stat. L. p. 437);

H. R. 8190. An act authorizing the construction of a bridge across the Colorado River near Blythe, Calif.;

H. R. 9758. An act granting the consent of Congress to the Vicksburg Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River at or near the city of Vicksburg, Miss.;

H. R. 9795. An act making appropriations for the Departments of State and Justice, and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1927, and for other purposes;

H. R. 9831. An act to provide for the completion and repair of customs buildings in Porto Rico;

H. R. 9964. An act releasing and granting to the city of Chicago any and all reversionary rights of the United States in and to the streets, alleys, and public grounds in Fort Dearborn addition to Chicago;

H. R. 10164. An act granting the consent of Congress to Cape Girardeau Chamber of Commerce (Inc.), to construct, maintain, and operate a bridge across the Mississippi River at Cape Girardeau, Mo.;

H. R. 10351. An act granting the consent of Congress to the Natchez-Vidalia Bridge & Terminal Co. to construct, maintain, and operate a bridge across the Mississippi River at or near the city of Natchez, Miss.;

H. J. Res. 149. Joint resolution to provide for membership of the United States in the Central Bureau of the International Map of the World; and

H. J. Res. 150. Joint resolution to provide for the participation of the United States in a congress to be held in the city of Panama, June, 1926, in commemoration of the centennial of the Pan American Congress which was held in the city of Panama in 1826;

EXCHANGE OF LANDS IN NEW MEXICO

The VICE PRESIDENT laid before the Senate the action of the House of Representatives disagreeing to the amendments of the Senate to the bill (H. R. 4007) to amend an act approved June 20, 1910, entitled "An act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States," and requesting a conference with the Senate on the disagreeing votes of the two Houses thereon.

Mr. JONES of Washington. I move that the Senate insist upon its amendments, agree to the conference asked by the House, and that the Chair appoint the conferees on the part of the Senate.

The motion was agreed to, and the Vice President appointed Mr. STANFIELD, Mr. SMOOT, and Mr. JONES of New Mexico conferees on the part of the Senate.

DISTRICT OF COLUMBIA APPROPRIATIONS

Mr. PHIPPS submitted the following report:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10198) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year

ending June 30, 1927, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 12, 13, 19, 21, 25, 26, 29, 30, 33, 34, 35, 36, 37, 38, 39, 63, 64, 68, 70, 71, 72, 75, 88, 89, 95, 103, and 104.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 6, 7, 8, 9, 10, 11, 14, 15, 16, 17, 18, 22, 23, 24, 27, 28, 31, 32, 43, 44, 47, 48, 49, 50, 51, 52, 53, 54, 55, 59, 60, 61, 66, 73, 74, 76, 77, 78, 79, 81, 82, 83, 84, 85, 86, 87, 90, 91, 92, 93, 94, 96, 97, 98, 106, and 107, and agree to the same.

Amendment numbered 2: That the House recede from its disagreement to the amendment of the Senate numbered 2, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "and no part of this appropriation shall be available for the compensation of any person giving less than full time from 9 o'clock antemeridian to 4.30 o'clock postmeridian to his official duties"; and the Senate agree to the same.

Amendment numbered 4: That the House recede from its disagreement to the amendment of the Senate numbered 4, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "Attorney at law, \$5,500, and for other"; and the Senate agree to the same.

Amendment numbered 5: That the House recede from its disagreement to the amendment of the Senate numbered 5, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "in all, \$46,120; and no part of this appropriation shall be available for the compensation of any person giving less than full time from 9 o'clock antemeridian to 4.30 o'clock postmeridian to his official duties"; and the Senate agree to the same.

Amendment numbered 20: That the House recede from its disagreement to the amendment of the Senate numbered 20, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$148,600"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$658,100"; and the Senate agree to the same.

Amendment numbered 41: That the House recede from its disagreement to the amendment of the Senate numbered 41, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$12,500"; and the Senate agree to the same.

Amendment numbered 42: That the House recede from its disagreement to the amendment of the Senate numbered 42, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "except Fourteenth Street extension beyond the southern boundary of Walter Reed Hospital Reservation"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "No part of any appropriation contained in this act shall be available for repairing, resurfacing, or newly paving any street, avenue, or roadway by private contract unless the specifications for such work shall be so prepared as to permit of fair and open competition in paving material as well as in price"; and the Senate agree to the same.

Amendment numbered 57: That the House recede from its disagreement to the amendment of the Senate numbered 57, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$267,500"; and the Senate agree to the same.

Amendment numbered 58: That the House recede from its disagreement to the amendment of the Senate numbered 58, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$272,500"; and the Senate agree to the same.

Amendment numbered 62: That the House recede from its disagreement to the amendment of the Senate numbered 62, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "including an assembly hall and gymnasium, \$100,000;

and the commissioners are authorized to enter into contract or contracts, as in this act provided, for said addition at a cost not to exceed \$400,000"; and the Senate agree to the same.

Amendment numbered 65: That the House recede from its disagreement to the amendment of the Senate numbered 65, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,320,000"; and the Senate agree to the same.

Amendment numbered 67: That the House recede from its disagreement to the amendment of the Senate numbered 67, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: " : *Provided*, That no part of the appropriations herein made shall be expended for the purchase of any site the cost of which shall exceed the full value assessment of such property last made before purchase thereof plus 25 per cent of such assessed value: *Provided further*, That if any of the sites above enumerated can not be purchased under said limitation as to price then any of said moneys remaining unexpended or unobligated by reason of such price limitation may be expended, subject to said limitation as to price, in the purchase of any or all other land authorized to be acquired in the five-year school building program act, approved February 26, 1925 (43 Stat. p. 986).

"The unexpended balance of the appropriation of \$154,000 contained in the second deficiency act, fiscal year 1925, on account of the Park View School, is hereby reappropriated for the purchase of school buildings and playground sites authorized to be acquired in the five-year school building program act, approved February 26, 1925 (43 Stat. p. 986)"; and the Senate agree to the same.

Amendment numbered 69: That the House recede from its disagreement to the amendment of the Senate numbered 69, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "including compensation at the rate of \$1,860 per annum for the present assistant property clerk of the police department"; and the Senate agree to the same.

Amendment numbered 80: That the House recede from its disagreement to the amendment of the Senate numbered 80, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$80,000"; and the Senate agree to the same.

Amendment numbered 99: That the House recede from its disagreement to the amendment of the Senate numbered 99, and agree to the same with an amendment as follows: In lieu of the matter inserted by said amendment insert the following: "\$145,000 shall be available for expenditure below Benning Bridge and not more than \$25,000 shall be available immediately and remain available until July 1, 1928, for the purchase of necessary land above Benning Bridge: *Provided*, That the purchase price of any site or sites acquired hereunder shall not exceed the full value assessment last made before purchase thereof plus 25 per cent of such assessed value"; and the Senate agree to the same.

Amendment numbered 101: That the House recede from its disagreement to the amendment of the Senate numbered 101, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: " : *Provided*, That not more than \$150,000 of this appropriation shall be available for the purchase of sites without limitation as to price based on assessed value and that the purchase price to be paid for any site out of the remainder of the appropriation shall not exceed the full value assessment of such property last made before purchase thereof plus 25 per cent of such assessed value"; and the Senate agree to the same.

Amendment numbered 105: That the House recede from its disagreement to the amendment of the Senate numbered 105, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: "The Commissioners of the District of Columbia are directed to increase the scale of water rents in effect in the District of Columbia by 12½ per cent per annum for the fiscal year ending June 30, 1927: *Provided*, That such increase shall remain in effect until otherwise provided by law"; and the Senate agree to the same.

Amendment numbered 108: That the House recede from its disagreement to the amendment of the Senate numbered 108, and agree to the same with an amendment as follows: Restore the matter stricken out by said amendment, amended to read as follows: " : *Provided further*, That no person shall be employed in pursuance of the authority contained in this para-

graph for a longer period than nine months in the aggregate during the fiscal year"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 46, 56, 100, 102, 109, and 110.

L. C. PHIPPS,
W. L. JONES,
CARTER GLASS,
JOHN B. KENDRICK,

Managers on the part of the Senate.

FRANK H. FUNK,
ROBERT G. SIMMONS,
GEORGE HOLDEN TINKHAM,
ANTHONY J. GRIFFIN,
ROSS A. COLLINS,

Managers on the part of the House.

The report was agreed to.

PROPERTY OF THE GOVERNMENT

Mr. McKELLAR. Mr. President, I present an editorial which appeared in the Washington Post entitled "Uncle Sam's property." I ask unanimous consent that it may be printed in the Record at this point.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

[From the Washington Post, April 20, 1926]

UNCLE SAM'S PROPERTY

The United States Government carries on the biggest business in the world, involving large sums of money and vast amounts of property, both personal and real. Yet the Government, unlike all other enterprises of vast proportions, never takes an account of stock to ascertain exactly or even approximately what its assets are. It knows its liabilities but not its assets, probably because it can add to its income and its assets almost without limit simply by taxing the people.

What is the Government's property? What are its assets? What is the size of its business?

In 1922 the national wealth of the United States was estimated at about \$320,800,000,000. Now it is probably something like \$350,000,000,000. This includes real estate, livestock, farm property, railways of all sorts, waterworks, private enterprises of a public-utility nature, farm and mine products, jewels, vehicles, gold and silver, etc. The wealth of the United States is said to be more than twice the national wealth of Great Britain and equal to the combined wealth of eight European countries, including Germany, Italy, Belgium, Turkey, and four others.

How much of this national wealth belongs to Uncle Sam? The average citizen sees very little of it outside of the buildings in Washington and post offices and customhouses elsewhere, or in some important harbor where war and other ships are anchored. The ordinary machinery of the Government operates at home and in all climes, yet its vast scope and the wealth and property involved are seldom realized.

Uncle Sam's property, roughly speaking, consists of land, buildings, equipments, forts, guns, ships, airplanes, canals, cash in the Treasury, and bills and notes receivable.

The land on which are located 80 public buildings and groups of buildings in Washington is worth about \$35,000,000, it is estimated. The buildings thereon cost approximately \$112,700,000. For public purposes they are worth no less now—perhaps between \$150,000,000 and \$160,000,000. The fixtures and furnishings are estimated to be worth \$75,000,000 more.

The property used and occupied by the 10 departments of the Government in different parts of the world is valued at approximately \$100,000,000. An inventory never has been taken. Perhaps it is an impossibility.

The property of the War Department, all told, is estimated at approximately \$225,000,000—perhaps \$250,000,000. This includes artillery, coast defenses, camps, posts and forts, stores, and equipment.

The total assets of the Navy Department on June 30, 1920, were about \$2,630,700,000. This figure has not increased since. Perhaps it has decreased because of the scrapping of ships.

The assets of the Departments of Interior, Commerce, and Agriculture are scattered all over the country, indeed all over the world. Outside of Washington the Interior Department has property estimated worth \$100,000,000. It has never been scheduled accurately. The property of the Commerce Department is estimated at more than \$75,000,000. The Department of Agriculture admits that an inventory is practically out of the question. The assets of the Justice and Labor Departments are comparatively small.

The Post Office Department property is estimated at something like \$150,000,000. The land and buildings coming under the Treasury Department are estimated at about \$500,000,000.

A conservative estimate of Uncle Sam's assets, real and personal property, ships, forts, canals, equipments, bills receivable, and all the rest is about \$20,000,000,000. But why not have an annual accounting so that the figures in the future will not be mere guesses or estimates?

PRESIDENTIAL APPROVALS

A message from the President of the United States, by Mr. Latta, one of his secretaries, announced that the President had approved and signed acts and joint resolutions of the following titles:

On April 22, 1926:

S. 3031. An act for the relief of George Barrett;

On April 24:

S. 124. An act for the relief of the Davis Construction Co.;

S. 3213. An act to provide for the disposition of moneys of the legally adjudged insane of Alaska who have been cared for by the Secretary of the Interior;

S. 3463. An act to extend the time for the exchange of Government-owned lands for privately owned lands in the Territory of Hawaii; and

S. 3627. An act authorizing the Secretary of the Navy, in his discretion, to deliver to the custody of the State of North Dakota the silver service which was presented to the battleship *North Dakota* by the citizens of that State.

On April 26:

S. 549. An act for the relief of John H. Walker;

S. 2465. An act to amend the act entitled "An act to regulate foreign commerce by prohibiting the admission into the United States of certain adulterated grain and seeds unfit for seeding purposes," approved August 24, 1912, as amended, and for other purposes;

S. 2763. An act to amend section 103 of the Judicial Code as amended;

S. 3287. An act relating to the purchase of quarantine stations from the State of Texas;

S. J. Res. 30. Joint resolution authorizing the establishment of a commission to be known as the Sesquicentennial of American Independence and the Thomas Jefferson Centennial Commission of the United States, in commemoration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence; and

S. J. Res. 91. Joint resolution directing the Secretary of War to allot war trophies to the American Legion Museum.

CARLSBAD CAVERN, N. MEX.

Mr. BRATTON. Mr. President, I have before me an article written by Hon. Carl B. Livingston, of Carlsbad, N. Mex., entitled "Through the Carlsbad Cavern with Jim White." I ask that it may be inserted in the Record.

The VICE PRESIDENT. Without objection, it is so ordered. The article is as follows:

THROUGH THE CARLSBAD CAVERN WITH JIM WHITE

By Carl B. Livingston

"Everybody please step up and write your names on the register," announced Jim White, "so we'll know you're not left when we come out!" Jim is the first explorer and the head guide of the largest cavern in the world—the Carlsbad Cavern of New Mexico. The cavern was made a national monument by the proclamation of President Coolidge about two years ago.

We were waiting a couple of hundred feet down in a great funnel-like pit, the natural opening to the cavern. It was 10 o'clock in the forenoon. Upward was a rim of yellow cliffs and a splotch of turquoise sky; downward was space, eternal darkness, and silence.

The gate slid open and the crowd passed within; the gate closed and was locked with an ominous click—we were severed from the world, with our destinies weighing on Jim White and his staff of guides.

An excursion of phantom shadows, fairy realms, and ghostly stalagmites; giant hallways, skyscraper ceilings, and pits of hell—four hours of which brought us to rest in the huge spaces of the lower chamber.

"We're 3 miles back and 840 feet below the surface," remarked the explorer as he lit a fuse that began to sputter from the end of a magnesium flare. "Course we could go down nearly a thousand and maybe keep a-goin', but—"

Before he could finish the flare burst into a vivid white light like a prolonged flash of lightning. The inky cloud overhead dissolved and we saw the jeweled ceiling high above and the cliff-like walls standing far apart; the flare burnt out and once more depressing darkness closed in close around the cluster of lanterns.

"How did you ever manage to find your way into the lower chamber," I asked.

"Me and Pete Smith," Jim answered, "went off on a rope over the jump off in the big room and landed here in the lower chamber."

This lower chamber is just another colossal room under the big room; but we had reached the "basement" by the safe-and-easy route

of the "dude"—through steps down a sinkhole in the floor of the big room. Then a maze of winding passages and alluring hallways had led us into the great open space where we now stood in the middle of the lower chamber.

While the flare was burning, a jump-off had been pointed out as the great, ring-like hole a hundred feet overhead and several hundred feet in diameter. And Jim White and his comrade, Pete Smith, had gone that perilous route.

"Comin' back out on the rope," continued Jim, "I was kinda scared for Pete, because 'long toward the top he sorty kicked and fought the air. We had two ropes hangin' side by side; on one we would pull ourselves up a foot or two at a time, and at the same time the fellows helpin' us on top would jerk up the slack in the one that was tied to us. We made it back out without a scratch."

"But," he added, "before either of us topped out, we both was mighty near all in. And if it'd been another yard or two, I guess we'd a been down here yet."

Jim White is not the explorer with the pith helmet, tight-legged pants, and horn-rimmed glasses—but the genuine article of cowboy tradition. There is a difference between the "high-brow" explorer, with money and prestige as speedsters to fame, and the prowess of the pioneer who blazes the way over new horizons with just nothing, save a step that is true and a light in his eye that knows no fear. There was no crowd of reporters to hang on Jim's every word. Had he failed in his purpose, there would have been none of the soothing ointment of consolation that comes to explorers of position in the shape of "victorious defeat," when they do not succeed. Had Jim been killed, he would not have been a national martyr in the cause of science but just a "durn" fool—he did succeed, though, and the hats are off to him.

Jim White does not talk much, except to a few, and not very often then. And I have it straight that what he says is not "windys" invented to entertain the "dudes," and that there is much else he does not think worth while to mention—incidents that "could still be a thrill alongside those of an elephant hunter."

We had heard so much about the cavern we craved some of the simple facts from those who had really done the work, and we drew him out as best we could.

He was a sturdy-lean figure and even drawl. Down in the land of the unreal—of stalagmites and gloom—he sat cross-legged on the ground in the manner of the men of the range country; and while he deftly rolled cigarettes from the "makings" he glanced back over the vista of his life and recounted with little concern experiences that would lay the basis for a new Arabian Nights.

It was learned that a mining company had once conducted extensive operations in removing from the cavern vast deposits of guano in the half-mile section around the entrance.

Said Jim: "Twenty-five years ago I landed the first stick o' lumber upon the hill to build the shacks."

"We always knocked off on Sundays, and when the weather was bad—then was the time we explored! We had a happy-go-lucky bunch, too. Some of the boys used to love to set around all day and play cards, smoke and spit, and cuss until the air was blue. Others didn't seem to get so much of a kick out of it, and a few of them used to go exploring with me."

Sometimes his "pal" Pete went along; other times it was Lige Hill and Henry Samples, who are now guides and "know the cave like a pocket in a shirt and have been on the job ever since they have been yearlings."

"We'd never bite off mor'n we could chew," was their maxim. Only a little at a time did they explore, and when known landmarks became firmly fixed in mind they would push on farther.

In the early part of our visit we had followed a safe, zigzag trail through a gruesome pit, 150 feet deep, aptly called the "Devil's Den." The walls were so precipitous and irregular that the first attempts, with no trail and without knowing what lay ahead, must have been a horror.

"That was the hardest part o' the whole thing," Jim declared. "Finally I made it across the Devil's Den, and before I went on I made five or six trips across trying to find a better way."

We had next followed for several blocks through a colossal hall whose ceiling often rose so high as to be out of range of even the pocket searchlights. The official survey found the height to be about 300 feet—a ceiling high enough under which to stand a fair-sized skyscraper!

"Long there," Jim related, "we just kinda felt our way as we went. An' I didn't think much about danger until a mile back we run across the skeleton of a man layin' like he'd fell off a big rock. That nearly queered the whole business with me—for a while at least. I thought I'd cut it all out and say I'd seen enough, but all of a sudden I just went on and I found the King's Palace."

What is known as the "King's Palace" was recalled as a series of four great, mystic chambers whose decorations must have been patterned by nature after the myth of fairyland.

"And for a long time I thought the King's Palace was as far as the cave went, but one day while back there we climbed up a steep hill

into that big crack and follered it till it quit, and there was the big room.

"We spent a night and a part of two days wanderin' around over the big room, like bein' turned aloose out in a canyon pasture on one long, dark night with only oil torches for lights. Durin' then we come up on the edge of a bluff, the jump-off, and that was all I'd started in to tell."

"But how did you keep from getting lost?" I asked. "With this," Jim replied, picking up from the floor a piece of rotten string, which he had strung through portions of the cavern years ago as he made his exploration. We remained in appreciative silence, and he resumed, "The guano had been a hundred feet deep around the natural opening, but finally we begin to reach the rocks in the bottom. The works shut down, and everybody blowed up and left, but I kept hangin' on."

"Then I hit on the idea of takin' people through the cave to show 'em the sights, but I never expected to see such a crowd as all o' this!" waving a hand at the throng.

We were informed that miles more of the cavern was then explored; but people who lived right at the entrance did not believe that the cavern was so stupendous a thing. Only a few came to visit what may with propriety be called the "eighth wonder of the world," and not much impression was made on very many of these.

The fuse that set off the rocket of publicity by which the cavern became known is a young man by the name of Ray V. Davis, who came out and took many pictures of the cavern. Some of these photographs came into the hands of a Mr. Robert A. Holley of the United States Land Office, and he made a preliminary survey for the Government. Soon thereafter the cavern came speedily to the attention of others of influence, which resulted in the creation of a national monument.

We had entered the cavern by a tediously long, but safe, stairway through the new natural entrance, which route is "the way de luxe" as compared with the perils of the old entrance. During the mining days the guano had been hoisted out of the cavern through a shaft punched through the roof.

Later for some time the shaft was used as the entrance for tourists. The descent was 180 feet, through sheer space, in a mining bucket on the end of a steel cable.

"But we never did have any accidents around the cave," explained Jim, "except once in the mining days when a drunk man come stumblin' along and fell heels over head into the shaft. I was froze with fear, but the bucket, loaded with filled sacks, happened to be comin' up and was just enterin' the hole in the roof. Then up came the bucket and clinkin' on was our friend—when he put his foot on solid ground he shore was sober!"

Having seen a rat scamper across the floor of the big room, I inquired, "Have you ever seen life of any kind as far back as the lower chamber?"

"Yes; and farther, too—we chased a cave cat through this very room less'n a year ago; bones of other little animals have been picked up about as far back as anybody has ever been. It looks like there may be another entrance we don't know anything about."

"What do you consider the strangest thing during your explorations?" another queried.

"A runnin' stream down here in the lower chamber when Pete and me went over the jump-off in 1906. It run till 1907. When we have a few more wet years maybe the stream will start flowing again."

"And once I was walking along through a place in the cave we call Pipe Springs and I bumped into a stalactite; it broke off, and a stream of water gushed out like a hydrant open."

"What was the closest call you ever had?"

"Once, when used to use torches, I was carryin' some kerosine oil in a gunny sack slung over my shoulder. The oil sprung a leak. Walkin' just behind me was a feller carryin' one of them blazin' torches. The first thing I knew the man let that torch touch the sack, and my pack started goin' up in flames and me tied to it! I had a time breakin' loose from the pack, but I didn't get burnt much."

"Speakin' of bein' excited, a priest that weighed 300 pounds went as far as the Devil's Den, took a look, didn't like the looks o' things, and gave up the trip. That was the days when we pulled 'em up in the bucket. When the priest was about half way up, somethin' happened to the engine, and we had to stop and leave him where he was for a minute or two; then we started to let him back down under perfect control of the brakes, and I could hear him mumblin' somethin' like a prayer."

"It's funny how much alike most people are. In the first part of the cave where there is nothing pretty every crowd hollers, 'Oh, isn't it marvelous!'"

"Also nearly everybody asks if I don't think that this cave is connected with every other cave in this part of the country."

"People are imitators—one starts to peckin' on somethin', and then they all will start poundin' on whatever is handy. That's the reason we don't allow any walkin' sticks brought into the cavern, because they get to usein' 'em for clubs."

"People love to write their names. This is strictly agin the rules—to write on the scenery. They don't seem to realize that it took thousands of years for these formations to make."

"In the old days, when we used to let 'em take out a few souvenirs, people was great hands to lug out a lot o' junk to the surface where they would get a look at it and throw it away."

When a crowd starts into the cavern, we always give 'em the once over to see if anybody looks like he might not make the trip. It always makes 'em mad to turn 'em down, and we hate to do it. Some even try to slip through. Once a man with wood feet got by us when we used to use the bucket and shaft. He didn't go far—I found him layin' by the trail near the Devil's Den, and I packed him back out."

A couple of schoolma'ams showed up at the cavern with a dog. To see what he would do, we let him foller 'em through—and he kept right up with the crowd."

While most people are just about alike, some are the other way. Once I took a couple of big fat Jews. They was so lazy that they'd ask to be helped up ever' time they'd set down. After about a half day of tuggin' at them, I got fed up, and said, "Fellers, I'm feelin' kinda queer—I don't know whether I'll ever be able to make it out of here or not!" And you oughta seen them Jews come alive!

Among the queerest that have ever been around here was the scientists. I didn't pay much attention to them at first, but I found that every once in a while they would tell me somethin' that would keep us laughin' for a week."

When we first built the stairway a few people slipped into the cave before we could get the gate up. Up in the big room we run across a feller showin' his girl the cave—he was carryin' a lantern with one mantle broke off and with the other barely danglin' on. And when we asked him, he didn't think anything about fallin' through a sink-hole or perambulin' off over the jump-off."

"And down here in the lower chamber another man was found wanderin' around by his self. He didn't seem to know that he could have strayed off and got lost in some of the lanes where we do not go for several days and maybe months at a time. That's why we have visitors to register and why we keep the gate locked—we never take a chance on losin' anybody."

It was time to start back out, and the crowd began to move. "Hay-a-a!" Jim called to a group that had started on. "You're goin' the wrong direction—back the other way!"

"You see," he added, "how easy it is to get turned around. Who can tell which way is north?"

As many guessed one way as another, and we fully realized the satisfying feeling of safety in having such men as these guides, who know the cavern "like a pocket in a shirt."

While we paused on a hill for a renewal of breath, Jim confided that he had just finished paying out a home by "herding dudes" through the cavern, he had a wife that could cook, and a boy in school. "But little Jim is not to be a cave explorer when he grows up, because the job's too dangerous for what you get out of it, and besides there won't likely be anything left to explore by then."

At last upon the surface, the sinking sun was spreading a panorama in cerise and purple across the heavens. Following Jim, the waiting cars slipped away, one at a time, through the shadows into the desert back to town—Carlsbad—the starting and the ending point, where we left our pilot of the underground to be picked up by the next party with the same curious ideas and funny questions.

SETTLEMENT OF LATVIAN INDEBTEDNESS

Mr. SMOOT. I ask that the Latvian debt settlement bill be laid before the Senate and proceeded with.

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 6776) to authorize the settlement of the indebtedness of the Government of the Republic of Latvia to the Government of the United States of America.

Mr. SMOOT. Mr. President, much was made on yesterday in the discussion because of the fact that Latvia had paid her indebtedness to France and Norway in full. I think it is due to the Senate to call attention to the manner in which Latvia paid off her indebtedness to those countries and how she paid it. I think there will be no question about the advantage to Latvia in doing so.

We will first take France. The total indebtedness of Latvia to France was 11,811,372 francs. She paid off in depreciated francs that whole amount, which cost her less than \$400,000.

Take Norway. Latvia owed Norway 6,738,127 crowns. She paid off her indebtedness in depreciated crowns at a cost of less than \$700,000. She paid France, perhaps, too quickly for her advantage, because if she had waited until to-day and paid France in francs, she would not have paid more than 10 per cent of her original indebtedness to France. As it stands, she paid only about 25 per cent of that indebtedness, because of the fact that she took the advantage of paying those countries in depreciated currency.

Mr. NORRIS. Mr. President, may I interrupt the Senator from Utah?

Mr. SMOOT. Yes.

Mr. NORRIS. But Latvia paid according to her contract.

Mr. SMOOT. Certainly.

Mr. NORRIS. Latvia owed crowns and she paid crowns; she owed francs and she paid francs.

Mr. SMOOT. That is true.

Mr. NORRIS. She proffered a legal tender according to her contract for the payment of her debts.

Mr. SMOOT. It was understood, of course, that the payment to France would be in gold francs, but there was nothing in the contract to that effect, and I will say to the Senator from Nebraska that I myself think that Latvia lived strictly up to the contract.

Mr. NORRIS. Exactly.

Mr. SMOOT. But Latvia took advantage of the situation and paid off the obligation which she originally made with France at 25 per cent of its valuation at the time it was incurred.

Mr. HOWELL. Mr. President, will the Senator from Utah yield to me?

The VICE PRESIDENT. Does the Senator from Utah yield to the Senator from Nebraska?

Mr. SMOOT. Yes.

Mr. HOWELL. I should like to ask the Senator from Utah, is it not a fact also that the obligations of Latvia were contracted in depreciated francs?

Mr. SMOOT. I do not remember exactly what the value of the franc was at the time Latvia's obligation was incurred. More than likely at the time the obligation was incurred its value had decreased from perhaps 19.65 cents to about 15 cents. Now the value of the franc is down to 3 cents. Latvia, however, took advantage of the depreciation of the franc at the time she made the settlement, because she did not think the franc was ever going lower than at the time she paid her debt. If she had for a moment thought that the franc was going lower than it was at that time, she would have paid her indebtedness for less than the \$400,000, the amount she did then pay to France.

Mr. HOWELL. As a matter of fact, is it not true that at the time Latvia contracted her indebtedness with France the franc was worth about 11 cents?

Mr. SMOOT. No, Mr. President.

Mr. HOWELL. Does the Senator from Utah know just about what date Latvia's indebtedness to France was incurred?

Mr. SMOOT. It was during the year 1918, not later than that, I will say to the Senator. When I was in France two years ago I paid 11 cents for francs.

Mr. HOWELL. But does the Senator know the value of the franc in 1918? What was the franc worth in that year?

Mr. SMOOT. I will say to the Senator that it was higher than 11 cents.

Mr. HOWELL. Does the Senator know what the quotation was?

Mr. SMOOT. I can not say exactly, but I think it was worth about 15 cents.

Mr. HOWELL. The franc depreciated very materially and its value was lower in 1918.

Mr. SMOOT. Does the Senator know what it was worth then?

Mr. HOWELL. My impression is that it was round about 11 or 12 cents.

Mr. NORRIS. Let me ask the Senator what difference does it make what the franc was worth at any time? Latvia contracted a debt and it was payable in francs. She paid it literally according to the contract, as I understand, and no one questions it. It was a perfectly honest deal.

Mr. SMOOT. I am calling attention to this matter because yesterday the idea was attempted to be conveyed to the Senate that Latvia is not treating the United States as she treated Norway.

Mr. NORRIS. She is not.

Mr. SMOOT. And that she is not treating the United States as she treated France.

Mr. NORRIS. She was not.

Mr. SMOOT. Suppose we had a paper money like that of France?

Mr. NORRIS. We did not have; our debt is payable in dollars.

Mr. SMOOT. No; it is payable in gold.

Mr. NORRIS. I do not care whether you call it dollars or cents or gold. The debt Latvia owed to France was payable in francs; she complied with the contract; we could not have any objection to make, and would not make any. There is a difference, it seems to me.

Mr. SMOOT. Very well, let it be said that there is a difference, but I wish to say—

Mr. NORRIS. Everybody can understand what the facts are.

Mr. SMOOT. The reason Latvia paid her debts to France and Norway was because of the fact that she was able almost to secure their practical cancellation. That was the reason she paid them off. She could not do that in the case of her debt to the United States; she can not borrow the money, and she has not the resources with which to pay the United States.

I wanted to say that much, Mr. President, in relation to the statement which was made yesterday.

Mr. REED of Missouri. Mr. President, I think the Senate is about in the humor to give some more money away, and nothing can prevent the consummation so devoutly wished for by the international bankers, by the foreign countries that owe us money, and by the servants and agents and employees of those interests who are Members of Congress. So I do not intend to take very much time this morning in discussing this settlement with Latvia.

I will inquire of the Senator from Utah what is the exact amount of the debt? I had the figures here yesterday, but my papers have been taken away.

Mr. SMOOT. The funded debt of Latvia, with interest added, is \$5,775,000.

Mr. REED of Missouri. So less than \$6,000,000 of the peoples' money is at stake, and what is the use of spending time with a trifle of that sort? Yesterday afternoon we spent about two hours and a half discussing a question of cutting \$1,000 per annum from the salary of a man who has worked here faithfully for 30 years. If that measure went through—and I did not wait to see what action was taken—it will be heralded throughout the country as another great triumph of economy, and the next campaign will witness the tall and majestic form of the Senator from Utah, as he stands like Saul among his people towering above the multitude, proclaiming the economy régime of Calvin Coolidge. I can see him now, with tears of sympathy rolling down his face for this clerk who lost his health in the service of the Senate, telling the people of Utah and the remainder of the country how his heart bled for this faithful man, but that, in the interest of economy and following the glorious flag of Calvin Coolidge he had saved the taxpayers \$1,000 per annum. However, he will not be saying very much about the billions of money he voted to take from the American people and turn over to foreign nations.

Judging from recent performances, I think once in the past, there must have been a Calvin Coolidge and possibly a Republican Party, because many, many years ago there was an old maxim that comes down to us from the lips of our fathers, telling us about gentlemen who waste at the bung-hole and save at the spigot. The Coolidge administration is the finest illustration of a Vermont economist carefully guarding the spigot and the barrel, while not only the bung-hole but both heads of the barrel are knocked out that has yet been furnished.

This settlement with Latvia is not only wasteful but idiotic. Let me give attention for the moment to the apology just made by the Senator from Utah [Mr. SMOOT], which was to the effect that Latvia had paid France and Norway in depreciated money, the argument being that if she had paid them in depreciated money she ought not to pay us in anything. In the first place, the argument was punctured by the Senator from Nebraska [Mr. NORRIS] when he asked whether they had not borrowed money that was depreciated.

They borrowed the kind of money from France that France had, and it was depreciated when they borrowed it, and the kind of money that Norway had, and it was depreciated when they borrowed it; and they paid those countries back in the very kind of money which they had agreed to pay, and they paid those nations back in exactly the kind of money used by private debtors in those nations in paying off their creditors and in exactly the kind of money those governments were paying off their debts to their own people. So that little toy balloon that went up this morning, shining with all the attractive colors of one of these balloons that are sold on the street corners and are doctored up to dazzle the eyes of the kiddies as they drive along the street, was punctured, and did not have enough gas in it even to make a good loud report.

But let me tell you why this settlement is idiotic: Because long before the 62 years will have run Latvia will have ceased to be, in all human probability. I would rather have 25 cents on the dollar from Latvia to-day in gold coin of the United States than to have this contract.

Latvia was a province of Russia, and Latvia will be a province of Russia again just as soon as the Russian Government

gets a little stronger and gets ready to reach out its powerful hand and take Latvia in again. By every rule of common sense and by every rule of national life and by every principle of economics Latvia is a part of the great country of Russia. She is so situated that her own economic life and her own prosperity depend upon her amalgamation with Russia. She is so situated that it is necessary to the development of the great Russian people that she should be under the flag of Russia; and no temporary regulation by interested peoples or interested countries outside will ever stand against these great and resistless forces.

This country was born on the 17th day of November, 1917. Its final elections did not take place until April 17, 1920. Its first legislative assembly was organized on May 1, 1920. It is bounded on the north by the Gulf of Riga and Esthonia, and on the east by Russia, and on the south by Lithuania and Poland, and on the west by the Baltic Sea; and Russia will go to the Baltic Sea just as we would go to the Gulf of Mexico if a little fringe of the coast were held by a small and powerless country.

Latvia could not exist a day against Russia's demand—not an hour—if Russia were to see fit to make the demand, unless it were supported and backed by Germany or by France or by Great Britain; and in the course of a few years, in my judgment, it will beyond any doubt be absorbed again into Russia. So that when we extend a debt for 62 years with a country of that kind we to all intents and purposes cancel the debt. They may be presently prosperous; they may presently have some wise statesmen; but Russia will go to the sea. One hundred and eighty million people can not be held back from the water front, and Latvia will disappear.

Mr. President, while I have the floor I want to call attention to the fact that the improvident settlement we made with Italy and some of these other settlements will form a precedent for a demand by Great Britain for a readjustment of her debt.

Mr. SMOOT. Mr. President, I will say to the Senator that Great Britain has already declared that they would not form a precedent. She said she had no objections whatever to our making any kind of a settlement with any country that we chose to make.

Mr. REED of Missouri. Very well. When the Senator says Great Britain has done that, whom does he mean by Great Britain?

Mr. SMOOT. I mean the official head of the British Government.

Mr. REED of Missouri. That may be changed to-morrow; and I am going to call attention to some evidence of the fact that it may be changed very soon.

Let us see. You came in here asking us to approve the British settlement. I protested at that time, and others did the same thing, against settling with Great Britain on any terms except the terms provided in the bills of Congress under which we borrowed the money from the American people. I called attention at that time to the fact that if we were compelled to pay $4\frac{1}{4}$ per cent interest on this money we got from our people and loaned to Great Britain, and if Great Britain were to pay the interest she is to pay under the contract, and if the interest were compounded, it would mean a loss to the United States of \$22,000,000,000. The answer was twofold: First, that we could refund our indebtedness for a less rate of interest than we are now paying—a thing which may happen and which may never happen. The other answer was that we had obtained from Great Britain the last cent she could pay; that economic conditions in Great Britain were bad; that she was burdened with an immense debt; that her people were staggering under its weight, and this was all Great Britain could pay, and we had better take this or we would get nothing. That exact expression was used—that we would get no settlement—and so, under that stress, we voted for the British settlement. I voted against it. Some others voted against it—not very many.

Now we are told that this British debt settlement, exacted from us on the representations I have just referred to, is the high-water mark; that because we made that settlement with Great Britain we have no right to ask any other nation to pay us any greater sum. If that is logical, then I want to know why Great Britain has not a perfect right to turn around to the United States and say, "You exacted from us a certain settlement. You have since settled with other nations that are solvent nations for a less sum, and we demand the same kind of treatment."

Mr. SMOOT. Mr. President, will the Senator yield?

Mr. REED of Missouri. Yes.

Mr. SMOOT. But Great Britain herself has made different settlements with the very countries with which we have made

settlements. She recognizes that their situations are different, and she has not demanded the last dollar that they owed her; and she has not settled with any two of them upon the same terms.

Mr. REED of Missouri. What kind of an answer would that be for us to make to this demand of Great Britain? Besides, if you speak of the Italian debt, you know, sir—I have the documents to prove it—that a part of the agreement made with Italy at the time she entered the war was that she was to receive great favors from her allies, and at the time the money was loaned to her by Great Britain there was an understanding that the full amount would not be exacted in return. Great Britain is simply carrying out the agreement she made and paying the price that she agreed to pay Italy for Italy's entrance into the war; and so far as her settlements with other countries are concerned she doubtless has her own reasons for those settlements.

But, Mr. President, we are told that the British Government have informed us that they will not use the settlements we have made with other countries as a reason for demanding a readjustment with us. Two observations with reference to that: How did you come to be talking about that with the British? Had they mentioned it? Had you feared that it would be used as a precedent? And, second, who is the British Government? It has its representatives to-day, but an adverse vote in Parliament may change the British Government to-morrow, and the new British Government will have its own policies.

I presume Winston Churchill is to-day making the speech that is here predicted. I am reading from the Public Ledger of Philadelphia of last Monday morning a cable from London, in which it is stated:

The budget speech of Winston Churchill, Chancellor of the Exchequer * * * is awaited with the greatest interest because of its promised discussion of the international debts.

His followers will be disappointed if he does not reassert his leadership of the campaign for the ultimate reduction of the European contributions to America.

The statement is made that he has not given out the speech, but that is what he is expected to say. I do not know whether he said it or not. I know that when there is great public pressure in the British Isles upon these men who are already on record against the settlement, we are likely to have exactly that kind of a declaration. But I am not going to be unfair enough to the Senate to say that the statement has been made. I am awaiting news as to that.

Mr. SMOOT. Mr. President, the Senator does not believe England could afford to do that, does he?

Mr. REED of Missouri. I do not think any of these countries can afford to repudiate their debts.

Mr. SMOOT. Particularly England. England has been the creditor nation of the world—

Mr. REED of Missouri. Yes.

Mr. SMOOT. And she has never yet repudiated a bond given by her, and I do not believe she ever will repudiate one.

Mr. REED of Missouri. I hope she will not, and I have frequently had occasion to point to Great Britain as a nation that has a high sense of honor with reference to her financial obligations. I called the Senator's attention to that when he was making the settlement with Great Britain, and told him Great Britain would pay if we insisted. He replied that this was the last dollar we could get from Great Britain, and if we did not make this settlement we would get nothing.

Mr. SMOOT. I did not say we would get nothing in the end.

Mr. REED of Missouri. That we would get no settlement.

Mr. SMOOT. I said we would get no settlement, and I say so again.

Mr. REED of Missouri. Very well. Let us see how keen she was then. We had Great Britain's solemn written obligation, signed, sealed, and delivered, that she would pay back this money dollar for dollar; that she would pay 5 per cent interest; that she would give us the kind of bonds stipulated in our act of Congress. She refused to do it, and the Senator said that if we did not take her terms, we would get no settlement, and now the Senator says she always redeems every obligation.

Mr. SMOOT. I said bonded obligation.

Mr. REED of Missouri. Bonded obligation? What is a bond? "I promise to pay to John Jones \$1,000" is a promissory note or a bond, just as the individual sees fit to call it. Both of them are bonds. There is no difference between a bond and a promissory note whatsoever, except that the term "bond" is usually applied to an instrument that runs a considerable length of time, and commonly in this country it is secured in some way. But when issued by a government, it has no security generally but the faith and credit of a people.

There has been a constant insistence in Great Britain that this settlement is improvident, and I shall be surprised if Great Britain does not come forward and say, "You have settled with these other countries upon terms so much better than ours, and we insist upon the right to reform our agreement."

Mr. DILL. Mr. President, will the Senator yield?

Mr. REED of Missouri. I yield.

Mr. DILL. I wanted to say just one word in comment about the boast of the Senator from Utah that England never would repudiate her bonds. Of course, if the representatives of the Government of the United States make agreements canceling the bonds or the agreements England has already made, calling them settlements, she does not need to repudiate, but it is in effect a repudiation and nothing else. That is the worst feature of all these settlements. We are enabling these governments to repudiate their bonded obligations which we hold in the Treasury, and say to the world that they have made settlements.

Mr. REED of Missouri. Mr. President, I want to read further from this article in the Public Ledger. It states:

The reported agreement for the payment of the French debt to America gives Mr. Churchill just the ammunition he wants. If it proves correct that the average French payments to America will be \$120,000,000, the British are free to increase the annuities they are going to exact from the French.

The British agreement with the French contains the famous "pari passu" clause, whereby the British maintain their rights to collect at the same rate from France as America collects from them. On this basis the British, who have agreed to be satisfied with \$62,500,000 yearly, will be in a position to ask for nearly \$100,000,000.

The strategy of an early settlement with France is now clear. Mr. Churchill is happily placed at present in that he can ask for the full \$100,000,000 and let America bear the onus of his demand, or he can make a great play for French friendship by being more generous than America.

Mr. President, I have before me an article which appeared in the New York American of Monday, April 26, signed by H. H. Stansbury, which reads in part as follows:

British financial observers consider any settlement of the French debt to the United States containing a security clause, written or implied, as a mere gesture to avert a new crisis through loans from American bankers.

Premier Briand informed the Senate and the Paris press unambiguously claims the existence of a satisfactory secret understanding to reopen the agreement after ratification should it be found burdensome. The British experts make these points:

1. British skepticism is founded on general knowledge that any agreement not approved by the United States Senate is not binding, and certainly is not binding on the next administration.

You see, Mr. President, the word seems to be out all over the world that there has been really a secret agreement with the French.

Mr. SMOOT. Between England and France?

Mr. REED of Missouri. No; between this country and France.

Mr. SMOOT. I will say to the Senator that there has not been.

Mr. REED of Missouri. I do not think the Senator has been in the agreement. I do not think the Senator has anything to do with these agreements. I think they are made by Mr. Mellon. I think Mr. Mellon tells the boys what to do, and they do it.

Mr. SMOOT. The Senator is wrong there.

Mr. REED of Missouri. This article continues:

2. France has made no move to enforce taxation that will yield the required revenue, although the national wealth is thirteen times greater than Italy's. There is no political figure in sight strong enough to end the tax evasion.

Now, listen to these figures, for we were told that France had an income tax—and she has; but let us see what happens to it:

In 1924 less than 20,000 Frenchmen declared incomes within the scale of \$5,000 to \$10,000. Less than 10,000 admitted larger incomes.

They have an income tax, but they do not make any income-tax returns.

In a 10-day visit to France, just ended, this correspondent found prosperity everywhere. Farmers and shopkeepers are richer than ever, but are hiding their wealth from tax collectors as of old.

Building operations are going on on a vast scale. The people are well dressed and happy, but lack confidence in their Government.

No gold or silver is in sight, only the greatly depleted paper franc, with nothing behind it.

The London Times observer comments:

"Confidence in the ability and power of France to pay has practically vanished. It is the old story of flying kites which pass from hand to hand, like bills of semibankrupts, to be discounted at higher and higher rates until the crash comes. France wants a Mussolini who will bring an economical administration for the next 10 years."

There is the story. They simply will not pay taxes, and I repeat, when the French debt settlement comes here, I propose to demand that for any concessions we may make France shall cede to us her islands in the West Indies, which constantly menace the United States, and particularly the Panama Canal.

Mr. CARAWAY. Mr. President—

The PRESIDING OFFICER (Mr. BINGHAM in the chair). Does the Senator from Missouri yield to the Senator from Arkansas?

Mr. REED of Missouri. I yield.

Mr. CARAWAY. Has the Senator any doubt about the French debt settlement already being agreed upon, but that they are pretending that they are having a disagreement, demanding more? Does the Senator really think that is fooling anybody?

Mr. REED of Missouri. Of course I do not want to speculate as to facts, which the Senator from Utah—

Mr. CARAWAY. I do not think the Senator from Utah knows it is settled, but I think it is agreed upon.

Mr. SMOOT. I will say to the Senator—

Mr. REED of Missouri. Of course there has not been a settlement. Nobody has signed on the dotted line.

Mr. CARAWAY. They will do that later on.

Mr. REED of Missouri. But I think there is a pretty fair understanding, or all the world would not have the same impression. Whether there is or is not an understanding, what difference does it make? We know that when the agreement is brought here it will be an agreement which was written by the French.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. REED of Missouri. I yield.

Mr. SHIPSTEAD. The French Government has a monopoly of the sale of tobacco in France. The French Government has a monopoly of the telephone and telegraph systems of France. If the French Government would be willing to transfer those Government monopolies to a corporation of which New York bankers would hold 51 per cent of the stock, does the Senator think that might smooth the way for a settlement with the French Government of the interallied debts?

Mr. REED of Missouri. I think there would still be an accentuated bankers' influence back of any French settlement with this Government. Of course if they were going to get more money, they would be that much more interested.

Mr. SHIPSTEAD. Will the Senator let me ask another question?

Mr. REED of Missouri. Certainly.

Mr. SHIPSTEAD. Does the Senator think that it is possible to have any settlement of these debts without having the bankers in the background?

Mr. REED of Missouri. I think that has been the situation. I think it is the situation to-day as never before. I think the financial interests as completely control this Congress as the financial interests controlled the Congress that licensed and set in motion the first great national bank, which Andrew Jackson afterwards had to destroy. I am not charging and do not charge and do not intimate that the influences are as sinister, but a recent historian has demonstrated that a large percentage of that Congress were stockholders and interested in the very bank they were creating. Since that day when corruption laid its leprous hands upon the throat of Congress, there has never been such a spectacle as we now see of complete subservience to the demands of the great financiers.

Mr. SHIPSTEAD. Mr. President, may I ask the Senator another question?

The PRESIDING OFFICER. Does the Senator from Missouri yield to the Senator from Minnesota?

Mr. REED of Missouri. I do.

Mr. SHIPSTEAD. The Senator introduced a resolution asking for an investigation of the forces that have been doing considerable propaganda work in connection with these settlements. There have been charges made that New York bankers have been using these debts as a club upon foreign governments in order to get concessions. We have even heard

that a proposition of a loan of \$500,000,000 was under consideration when Caillaux was over here to obtain a settlement for his Government, and that the proposition had something to do with the transfer of the government monopolies of France to corporations controlled by private bankers, and that he refused to consider any settlement of that kind or any loan of that kind on those terms. I would be very anxious to know if the Senator's resolution would not cover that situation. If it is true that Caillaux refused to accept a loan on those conditions I want to take off my hat to him. He acted like a patriot. He acted to preserve the sovereignty of his Government. I would like to know if it is true and if the Senator thinks his resolution would cover that matter.

Mr. REED of Missouri. I think my resolution would cover it, but the trouble is that my resolution is covered. It has been smothered. We have been recessing from day to day, and, I think, largely for the purpose of preventing resolutions of that kind from coming up for consideration. When I offered my resolution present consideration of it was objected to, and it had to go over one day under the rule, and we prevent that day occurring legislatively by recessing instead of adjourning. I have no hope we will get any light. The only light that will come to us streams from the tall pinnacle of Utah. He tells us it is so, and does not tell us why, and we are expected to accept it. I do not challenge his word, but I frequently question his judgment.

Mr. President, I want to call attention to an article in the Washington Herald of April 26. It is a news article by the Universal Service, reading as follows:

The French Parliament must ratify an agreement on American terms for funding France's \$4,000,000,000 debt before the American money market will be available for flotation of additional private credits, it was learned on high authority yesterday.

While it is not doubted that Ambassador Berenger will first haggle and then accept counter proposals for substantially larger payments, about to be submitted by the American Debt Commission, his signature alone will not be sufficient to open the coffers of Wall Street.

Only imperative need of a loan—

Now, hear this—

Only imperative need of a loan has driven France to seek a settlement, with her officials waiting at the scratch for a race to the banking offices.

"Inspired" dispatches from Paris within 48 hours, whatever their intent, have served to create an atmosphere of doubt in Washington that Premier Briand will be able to obtain ratification of a satisfactory agreement by Parliament.

With American investors growing distrustful of foreign loans, the belief prevails that a large French issue can not be satisfactorily floated until the debt agreement has actually been accepted by the French Parliament.

The American Debt Commission will meet to-day to agree upon changes France will be asked to make in its original proposal submitted by Berenger last Friday.

The ambassador, it is understood, is ready to submit a supplemental proposal which he discussed with Secretary Mellon during the informal negotiations.

Of course the commissions have not agreed on anything. Just the French statesmen and the American Secretary of the Treasury, Mr. Mellon, have been having conferences, and that is all.

Mr. CARAWAY. I think they will tell the commission some time during the week.

Mr. REED of Missouri. And then the commission will tell us.

Mr. CARAWAY. Oh, no.

Mr. REED of Missouri. They will not tell us what took place. They will tell us what to do.

Here is a statement as to the result:

It anticipates American objections to the amount of payments, and also increases the aggregate amount from the present figure of \$8,700,000,000 to above \$7,000,000,000.

The initial annual figures ultimately will be increased to \$30,000,000 or more, it is understood.

The original Berenger-Briand substitute for Joseph Caillaux's "safeguard" clause also is said to be modified so as to conform more nearly to wishes of the Americans, who have declared themselves unalterably opposed to anything approximating a "contingent" agreement.

Let me ask the Senator from Utah if he has not understood that a conference has taken place between Mr. Mellon and some of the French representatives?

Mr. SMOOT. Does the Senator mean in the way of preliminary discussion?

Mr. REED of Missouri. Yes.

Mr. SMOOT. I think so, but I will also say, in relation to any safety clause referred to in the article which he has just read, that I shall not report any kind of a safety clause in any settlement that we make with France.

Mr. REED of Missouri. I am glad to know that there is one point so vital and so bad that even the Senator from Utah will declare "They shall not pass." I am glad to know that. But the reason for the French settlement and the offers of it and the tenders of it are laid bare in this article. They want to borrow money, and they can not borrow money while the nation stands there branded as a repudiator. If we will but stand firm, this great powerful nation that masses the largest army on earth, that is engaged in conquering foreign peoples and robbing them of their lands, that is creating the greatest fleet of war vessels to sail the air that was ever conceived—this great and powerful nation, this wealthy nation, will pay its debt, and it will pay it, if for no other or better reason, because its credit will be gone until it does pay it, and it can not secure money elsewhere.

Mr. President, there may be others who want to speak on this question and I yield the floor with the full knowledge that there is no fact that could be produced, there is no argument that could be made, there is no appeal that could be uttered that would break the strangle hold the financial institutions of the country have upon the present Congress. Their bidding will be done, and the pity of it all is, though the American people shall repudiate their acts at the next election, as I believe the people will, that the contracts will have been signed, the money will be gone, the billions will be wasted, and the taxpayer of the United States will groan under the heavy burden shifted from European shoulders where it honestly belongs to his shoulders where it is dishonestly placed.

The bill was reported to the Senate without amendment, ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. SMOOT. I ask for the yeas and nays.

The yeas and nays were ordered and the Chief Clerk proceeded to call the roll.

Mr. McKELLAR (when Mr. Tyson's name was called). The junior Senator from Tennessee [Mr. TYSON] is unavoidably absent. He is paired with the Senator from Ohio [Mr. WILLIS].

Mr. WILLIS (when his name was called). On this vote, as has been stated by the senior Senator from Tennessee [Mr. McKELLAR], I am paired with the junior Senator from Tennessee [Mr. TYSON]. Upon inquiry, however, I find that were the junior Senator from Tennessee present he would vote as I intend to vote. Therefore, I feel free to vote. I vote "yea."

The roll call was concluded.

Mr. CURTIS. I desire to announce the absence of my colleague, the junior Senator from Kansas [Mr. CAPPER], on account of illness in his family. Were he present, he would vote "yea."

Mr. BROUSSARD. I am paired with the senior Senator from New Hampshire [Mr. MOSES], who is unavoidably absent. If he were present, he would vote as I intend to vote. Therefore I will vote. I vote "yea."

Mr. BRATTON. I have a general pair with the junior Senator from Indiana [Mr. ROBINSON]. If permitted to vote, I should vote "nay."

Mr. GERRY. I desire to announce that the Senator from Nevada [Mr. PITTMAN] is absent on account of illness.

Mr. TRAMMELL. I wish to announce the unavoidable absence of my colleague, the senior Senator from Florida [Mr. FLETCHER]. He is paired with the junior Senator from Delaware [Mr. DU PONT] who is also absent on account of illness.

Mr. JONES of Washington. I desire to announce that the Senator from Delaware [Mr. DU PONT], the Senator from Maine [Mr. FERNALD], the Senator from Vermont [Mr. GREENE], the Senator from Indiana [Mr. ROBINSON], the Senator from Minnesota [Mr. SCHALL], the senior Senator from Pennsylvania [Mr. PEPPER], the junior Senator from Pennsylvania [Mr. REED], and the Senator from Missouri [Mr. WILLIAMS] are necessarily absent, and that, if present, they would vote "yea."

I also desire to announce the following general pairs:

The Senator from Minnesota [Mr. SCHALL] with the Senator from Montana [Mr. WALSH];

The senior Senator from Pennsylvania [Mr. PEPPER] with the senior Senator from South Carolina [Mr. SMITH]; and

The junior Senator from Pennsylvania [Mr. REED] with the senior Senator from Delaware [Mr. BAYARD].

The result was announced—yeas 50, nays 18, as follows:

YEAS—50

Asburst	Edwards	Keyes	Sackett
Bingham	Ernst	King	Shortridge
Broussard	Ferris	Leuroot	Simmons
Bruce	Fess	McLean	Smoot
Butler	Gerry	McMaster	Stanfield
Cameron	Gillett	McNary	Steck
Caraway	Goff	Mearns	Wadsworth
Copeland	Hale	Metcalf	Warren
Couzens	Harrell	Oddie	Watson
Curtis	Harrison	Overman	Weller
Dale	Jones, N. Mex.	Phipps	Willis
Deneen	Jones, Wash.	Pine	
Edge	Kendrick	Ransdell	

NAYS—18

Blease	Heflin	Mayfield	Sheppard
Borah	Howell	Neely	Shipstead
Dill	Johnson	Norris	Trammell
Frazier	La Follette	Nye	
Harris	McKellar	Reed, Mo.	

NOT VOTING—28

Bayard	George	Pepper	Stephens
Bratton	Glass	Pittman	Swanson
Capper	Gooding	Reed, Pa.	Tyson
Cummins	Greene	Robinson, Ark.	Underwood
du Pont	McKinley	Robinson, Ind.	Walsh
Fernald	Moses	Schall	Wheeler
Fletcher	Norbeck	Smith	Williams

So the bill was passed, as follows:

Be it enacted, etc., That the settlement of the indebtedness of the Government of the Republic of Latvia to the Government of the United States of America made by the World War Foreign Debt Commission and approved by the President upon the terms and conditions as set forth in Senate Document No. 8, Sixty-ninth Congress, first session, is hereby approved in general terms as follows:

The amount of the indebtedness to be funded, after allowing for cash payments made by Latvia, is \$5,775,000, which has been computed as follows:

Principal amount of obligations to be funded.....	\$5,132,287.14
Interest accrued and unpaid thereon to Dec. 15, 1922, at the rate of 4½ per cent per annum.....	647,275.62
Total principal and interest accrued and unpaid as of Dec. 15, 1922.....	5,779,562.76
To be paid in cash by Latvia upon execution of agree- ment.....	4,562.76
Total indebtedness to be funded into bonds.....	5,775,000.00

The principal of the bonds shall be paid in annual installments on December 15 of each year up to and including December 15, 1934, on a fixed schedule, subject to right of the Government of the Republic of Latvia to make such payments in three-year periods. The amount of the first year's installment shall be \$28,000, the annual installments to increase until the sixty-second year, the amount of the final installment will be \$228,000, the aggregate installments being equal to the total principal of the indebtedness to be funded into bonds.

The Government of the Republic of Latvia shall have the right to pay off additional amounts of the principal of the bonds on any interest date upon 90 days' advance notice.

Interest on the bonds shall be payable semiannually on June 15 and December 15 of each year at the rate of 3 per cent per annum from December 15, 1922, to December 15, 1932, thereafter at the rate of 3½ per cent per annum until final payment.

The Government of the Republic of Latvia shall have the option, with reference to payments on account of principal and/or interest falling due on or before December 15, 1930, under the terms of the agreement, to make the following payments on the dates specified: June 15, 1926, \$30,000; December 15, 1926, \$30,000; June 15, 1927, \$35,000; December 15, 1927, \$35,000; June 15, 1928, \$40,000; December 15, 1928, \$40,000; June 15, 1929, \$45,000; December 15, 1929, \$45,000; June 15, 1930, \$50,000; December 15, 1930, \$50,000; total \$400,000, and to pay the balance, including interest on all overdue payments at the rate of 3 per cent per annum in bonds of Latvia, dated December 15, 1930, bearing interest at the rate of 3 per cent per annum from December 15, 1930, to December 15, 1932, and thereafter at the rate of 3½ per cent per annum, such bonds to mature serially on December 15 of each year up to and including December 15, 1934, substantially in the same manner and to be substantially the same in other respects as the bonds of Latvia received at the time of the funding of the indebtedness.

Any payments of interest or of principal may be made at the option of the Republic of Latvia, in any United States Government obligations issued after April 6, 1917, such obligations to be taken at par and accrued interest.

SETTLEMENT OF ESTHONIAN INDEBTEDNESS

Mr. SMOOT. Mr. President, I ask unanimous consent that the Senate now proceed to the consideration of the bill (H. R. 6775), to authorize the settlement of the indebtedness of the Republic of Esthonia to the United States of America.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill, which was read, as follows:

Be it enacted, etc., That the settlement of the indebtedness of the Republic of Esthonia to the United States of America, made by the World War Foreign Debt Commission and approved by the President upon the terms and conditions as set forth in Senate Document No. 7, Sixty-ninth Congress, first session, is hereby approved in general terms as follows:

The amount of the indebtedness to be funded after allowing for the cash payment made by Esthonia and the credit set out below is \$13,330,000, which has been computed as follows:

Principal amount of obligations to be funded.....	\$13,999,145.60
Credit allowed for total loss of cargo on sinking of steamship <i>John Russ</i> , sunk by a mine in Baltic Sea.....	1,932,923.45
Interest accrued and unpaid thereon to Dec. 15, 1922, at the rate of 4½ per cent a year.....	12,066,222.15
Total principal and interest accrued and unpaid as of Dec. 15, 1922.....	1,765,219.73
To be paid in cash by Esthonia upon execution of agreement.....	13,831,441.88
Total indebtedness to be funded into bonds.....	1,441.88
	13,830,000.00

The principal of the bonds shall be paid in annual installments on December 15 of each year up to and including December 15, 1934, on a fixed schedule, subject to the right of the Republic of Esthonia to make such payments in three-year periods. The amount of the first year's installment shall be \$69,000, the annual installments to increase until the sixty-second year. The amount of the final installment will be \$530,000, the aggregate installments being equal to the total principal of the indebtedness to be funded into bonds.

The Republic of Esthonia shall have the right to pay off additional amounts of the principal of the bonds on any interest date upon 90 days' advance notice.

Interest on the bonds shall be payable semiannually on June 15 and December 15 of each year at the rate of 3 per cent per annum from December 15, 1922, to December 15, 1932, and thereafter at the rate of 3½ per cent per annum until final payment.

The Republic of Esthonia shall have the option with reference to payments on account of principal and/or interest falling due on or before December 15, 1930, under the terms of the agreement, to make the following payments on the dates specified: June 15, 1926, \$50,000; December 15, 1926, \$50,000; June 15, 1927, \$75,000; December 15, 1927, \$75,000; June 15, 1928, \$100,000; December 15, 1928, \$100,000; June 15, 1929, \$125,000; December 15, 1929, \$125,000; June 15, 1930, \$150,000; December 15, 1930, \$150,000; total, \$1,000,000; and to pay the balance, including interest on all overdue payments, at the rate of 3 per cent per annum, in bonds of Esthonia, dated December 15, 1930, bearing interest at the rate of 3 per cent per annum from December 15, 1930, to December 15, 1932, and thereafter at the rate of 3½ per cent per annum, such bonds to mature serially on December 15 of each year up to and including December 15, 1934, substantially in the same manner and to be substantially the same in other respects as the bonds of Esthonia received at the time of the funding of the indebtedness.

Any payment of interest or of principal may be made, at the option of the Republic of Esthonia, in any United States Government obligations issued after April 6, 1917, such obligations to be taken at par and accrued interest.

Mr. SMOOT. Mr. President, I desire to say just a few brief words in explanation of the bill.

An agreement for the settlement of the Esthonian indebtedness to the United States on substantially the same basis as the settlement made with Poland was signed on October 28, 1925. I ask unanimous consent to have printed in the Record a copy of the agreement, together with a copy of a schedule showing the amounts of principal and interest payable annually under the agreement. The agreement with Esthonia has already been printed in the Record, but I desire it to appear also in connection with what I have to say, and therefore I ask that it may be reprinted in the Record at this point.

The PRESIDING OFFICER. Without objection, the agreement referred to will be printed in the Record.

The agreement is as follows:

Agreement, made the 28th day of October, 1925, at the city of Washington, D. C., between the Republic of Esthonia, hereinafter called Esthonia, party of the first part, and the United States of America, hereinafter called the United States, party of the second part

Whereas Esthonia is indebted to the United States as of December 15, 1922, upon obligations in the aggregate principal amount of \$13,999,145.60, together with interest accrued and unpaid thereon; and

Whereas Esthonia desires to fund said indebtedness to the United States, both principal and interest, through the issue of bonds to the

United States, and the United States is prepared to accept bonds from Esthonia upon the terms and conditions hereinafter set forth;

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Amount of indebtedness: The amount of the indebtedness to be funded, after allowing for cash payments made or to be made by Esthonia and the credit set out below, is \$13,830,000, which has been computed as follows:

Principal amount of obligations to be funded.....	\$13,999,145.60
Credit allowed for total loss of cargo on sinking of steamship John Russ, sunk by a mine in Baltic Sea.....	1,932,923.45
	12,066,222.15
Interest accrued and unpaid thereon to Dec. 15, 1922, at the rate of 4½ per cent a year.....	1,765,219.73
Total principal and interest accrued and unpaid as of Dec. 15, 1922.....	13,831,441.88
To be paid in cash by Esthonia upon execution of agreement.....	1,441.88
Total indebtedness to be funded into bonds.....	13,830,000.00

2. Repayment of principal: In order to provide for the repayment of the indebtedness thus to be funded Esthonia will issue to the United States at par as of December 15, 1922, bonds of Esthonia in the aggregate principal amount of \$13,830,000, dated December 15, 1922, and maturing serially on each December 15 in the succeeding years for 62 years, in the amounts and on the several dates fixed in the following schedule:

Dec. 15—		Dec. 15—	
1923.....	\$69,000	1955.....	\$195,000
1924.....	71,000	1956.....	202,000
1925.....	73,000	1957.....	209,000
1926.....	75,000	1958.....	217,000
1927.....	78,000	1959.....	224,000
1928.....	80,000	1960.....	232,000
1929.....	82,000	1961.....	240,000
1930.....	85,000	1962.....	249,000
1931.....	88,000	1963.....	257,000
1932.....	90,000	1964.....	266,000
1933.....	92,000	1965.....	275,000
1934.....	95,000	1966.....	285,000
1935.....	98,000	1967.....	295,000
1936.....	101,000	1968.....	305,000
1937.....	105,000	1969.....	316,000
1938.....	109,000	1970.....	327,000
1939.....	113,000	1971.....	339,000
1940.....	117,000	1972.....	350,000
1941.....	121,000	1973.....	363,000
1942.....	125,000	1974.....	375,000
1943.....	129,000	1975.....	388,000
1944.....	134,000	1976.....	402,000
1945.....	138,000	1977.....	416,000
1946.....	143,000	1978.....	431,000
1947.....	148,000	1979.....	446,000
1948.....	153,000	1980.....	461,000
1949.....	159,000	1981.....	477,000
1950.....	165,000	1982.....	494,000
1951.....	170,000	1983.....	511,000
1952.....	176,000	1984.....	530,000
1953.....	182,000		
1954.....	189,000		
		Total.....	13,830,000

Provided, however, That Esthonia, at its option upon not less than 90 days' advance notice to the United States, may postpone any payment falling due as hereinabove provided, except those falling due on or before December 15, 1930, hereinafter referred to in paragraph 5 of this agreement, to any subsequent June 15 or December 15 not more than two years distant from its due date, but only on condition that in case Esthonia shall at any time exercise this option as to any payment of principal, the payment falling due in the next succeeding year can not be postponed to any date more than one year distant from the date when it becomes due unless and until the payment previously postponed shall actually have been made, and the payment falling due in the second succeeding year can not be postponed at all unless and until the payment of principal due two years previous thereto shall actually have been made.

3. Form of bond: All bonds issued or to be issued hereunder to the United States shall be payable to the Government of the United States of America, or order shall be issued in such denominations as may be requested by the Secretary of the Treasury of the United States, substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit A," and shall be signed for Esthonia by its envoy extraordinary and minister plenipotentiary at Washington, or by its other duly authorized representative. The \$13,830,000 principal amount of bonds first to be issued hereunder shall be issued in 62 pieces in denominations and with maturities corresponding to the annual payments of principal hereinabove set forth.

4. Payment of interest: All bonds issued or to be issued hereunder shall bear interest, payable semiannually on June 15 and December 15 in each year, at the rate of 3 per cent a year from December 15, 1922, to December 15, 1932, and thereafter at the rate of 3½ per cent a year until the principal thereof shall have been paid.

5. Method of payment: All bonds issued or to be issued hereunder shall be payable, as to both principal and interest, in United States gold coin of the present standard of value, or, at the option of Esthonia, upon not less than 30 days' advance notice to the United States in any

obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder: *Provided, however,* That with reference to the payments on account of principal and/or interest falling due hereunder on or before December 15, 1930, Esthonia, at its option, may pay the following amounts on the dates specified:

June 15, 1926.....	\$50,000	June 15, 1929.....	\$125,000
Dec. 15, 1926.....	50,000	Dec. 15, 1929.....	125,000
June 15, 1927.....	75,000	June 15, 1930.....	150,000
Dec. 15, 1927.....	75,000	Dec. 15, 1930.....	150,000
June 15, 1928.....	100,000		
Dec. 15, 1928.....	100,000	Total.....	1,000,000

And the balance, including interest on all overdue payments at the rate of 3 per cent a year from their respective due dates, in bonds of Esthonia, dated December 15, 1930, bearing interest at the rate of 3 per cent a year from December 15, 1930, to December 15, 1932, and thereafter at the rate of 3½ per cent a year until the principal thereof shall have been paid, such bonds to mature serially on December 15 of each year up to and including December 15, 1984, substantially in the manner provided in paragraph 2 of this agreement, and to be substantially similar in other respects to the bonds first to be issued hereunder.

All payments, whether in cash or in obligations of the United States, to be made by Esthonia on account of the principal of or interest on any bonds issued or to be issued hereunder and held by the United States, shall be made at the Treasury of the United States in Washington, or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York, and if in cash shall be made in funds immediately available on the date of payment, or if in obligations of the United States shall be in form acceptable to the Secretary of the Treasury of the United States under the general regulations of the Treasury Department governing transactions in United States obligations.

6. Exemption from taxation: The principal and interest of all bonds issued or to be issued hereunder shall be paid without deduction for, and shall be exempt from, any and all taxes or other public dues, present or future, imposed by or under authority of Esthonia or any political or local taxing authority within the Republic of Esthonia, whenever, so long as, and to the extent that beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association, neither domiciled nor ordinarily resident in Esthonia, or (c) a corporation not organized under the laws of Esthonia.

7. Payments before maturity: Esthonia, at its option, on any interest date or dates, upon not less than 90 days' advance notice to the United States, may make advance payments in amounts of \$1,000 or multiples thereof on account of the principal of any bonds issued or to be issued hereunder and held by the United States. Any such advance payments shall first be applied to the principal of any bonds which shall have been issued hereunder on account of principal and/or interest accruing between December 15, 1922, and December 15, 1930, and then to the principal of any other bonds issued hereunder and held by the United States as may be indicated by Esthonia at the time of the payment.

8. Exchange for marketable obligations: Esthonia will issue to the United States at any time, or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds issued or to be issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal, and/or in fully registered form, and otherwise on the same terms and conditions as to dates of issue and maturity, rate or rates of interest, exemption from taxation, payment in obligations of the United States issued after April 6, 1917, and the like as the bonds surrendered on such exchange. Esthonia will deliver definitive engraved bonds to the United States in accordance herewith within six months of receiving notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will deliver, at the request of the Secretary of the Treasury of the United States, temporary bonds or interim receipts in form satisfactory to the Secretary of the Treasury of the United States within 30 days of the receipt of such request, all without expense to the United States. The United States, before offering any such bonds or interim receipts for sale in Esthonia, will first offer them to Esthonia for purchase at par and accrued interest, and Esthonia shall likewise have the option, in lieu of issuing any such bonds or interim receipts, to make advance redemption, at par and accrued interest, of a corresponding principal amount of bonds issued or to be issued hereunder and held by the United States. Esthonia agrees that the definitive engraved bonds called for by this paragraph shall contain all such provisions, and that it will cause to be promulgated all such rules, regulations, and orders as shall be deemed necessary or desirable by the Secretary of the Treasury of the United States in order to facilitate the sale of the bonds in the United States, in Esthonia, or elsewhere, and that if requested by the Secretary of the Treasury of the United States, it will use its good offices to secure the listing of the bonds on such stock exchanges as he may request.

9. Cancellation and surrender of obligations: Upon the execution of this agreement, the payment to the United States of cash in the sum of \$1,441.88, as provided in paragraph 1 of this agreement, and the delivery to the United States of the \$13,830,000 principal amount of bonds of Esthonia first to be issued hereunder, together with satisfactory evidence of authority for the execution of this agreement and the bonds on behalf of Esthonia by its envoy extraordinary and minister plenipotentiary at Washington, or by its other duly authorized representative, the United States will cancel and surrender to Esthonia, at the Treasury of the United States in Washington, the obligations of Esthonia in the principal amount of \$13,999,145.60 described in the preamble to this agreement.

10. Notices: Any notice, request, or consent under the hand of the Secretary of the Treasury of the United States shall be deemed and taken as the notice, request, or consent of the United States, and shall be sufficient if delivered at the legation of Esthonia at Washington or at the office of the Minister of Finance in Tallinn; and any notice, request, or election from or by Esthonia shall be sufficient if delivered to the American legation at Tallinn or to the Secretary of the Treasury at the Treasury of the United States in Washington. The United States in its discretion may waive any notice required hereunder, but any such waiver shall be in writing and shall not extend to or affect any subsequent notice or impair any right of the United States to require notice hereunder.

11. Compliance with legal requirements: Esthonia represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement and the issuance of bonds hereunder have been completed as required by the laws of Esthonia and in conformity therewith.

12. Counterparts: This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof Esthonia has caused this agreement to be executed on its behalf by its envoy extraordinary and minister plenipotentiary at Washington, thereunto duly authorized, subject, however, to the approval of the State Assembly, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, as chairman of the World War Foreign Debt Commission, with the approval of the President, subject, however, to the approval of Congress, pursuant to the act of Congress approved February 9, 1922, as amended by the act of Congress approved February 28, 1923, and as further amended by the act of Congress approved January 21, 1925, all on the day and year first above written.

THE REPUBLIC OF ESTHONIA,

By A. PIIP,

Envoy Extraordinary and Minister Plenipotentiary.

THE UNITED STATES OF AMERICA,

(For the World War Foreign Debt Commission.)

By A. W. MELLON,

Secretary of the Treasury and Chairman of the Commission.

Approved:

CALVIN COOLIDGE, President.

EXHIBIT A

(Form of bond)

THE REPUBLIC OF ESTHONIA

No. —.

The Republic of Esthonia, hereinafter called Esthonia, for value received, promises to pay to the Government of the United States of America, hereinafter called the United States, or order, on December 15, —, the sum of — dollars (\$—), and to pay interest upon said principal sum semiannually of June 15 and December 15 in each year, at the rate of 3 per cent a year from December 15, 1922, to December 15, 1932, and at the rate of 3½ per cent a year thereafter until the principal hereof shall have been paid. This bond is payable as to both principal and interest in gold coin of the United States of America of the present standard of value, or, at the option of Esthonia, upon not less than 30 days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

This bond is payable as to both principal and interest without deduction for, and is exempt from, any and all taxes and other public dues, present or future, imposed by or under authority of Esthonia or any political or local taxing authority within the Republic of Esthonia, whenever, so long as, and to the extent that beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Esthonia, or (c) a corporation not organized under the laws of Esthonia. This bond is payable as to both principal and interest at the Treasury of the United States in Washington, D. C., or at the option of the Secretary of the Treasury of the United States at the Federal Reserve Bank of New York.

This bond is issued under an agreement dated October 28, 1925, between Esthonia and the United States, to which this bond is subject and to which reference is hereby made.

In witness whereof Esthonia has caused this bond to be executed in its behalf at the city of Washington, D. C., by its — at Washington, thereunto duly authorized, as of December 15, 1922.

THE REPUBLIC OF ESTHONIA,

By —.

Mr. SMOOT. Mr. President, the principal amount of the obligations funded was \$13,999,145.60. Against this amount there was credited \$1,932,923.45 on account of the loss of a cargo on the sinking of the steamship *John Russ* when it was struck by a mine in the Baltic Sea in September, 1919. The debt was funded as of December 15, 1922. Interest to that time, calculated at the rate of 4¼ per cent, amounted to \$1,765,219.73. This was added to the principal of the debt less the credit referred to. Esthonia paid in cash upon the execution of the agreement \$1,441.88, leaving a total indebtedness to be funded into bonds of \$13,830,000.

The principal of the indebtedness so funded is to be repaid over a period of 62 years with interest at the rate of 3 per cent per annum for the first 10 years and 3½ per cent per annum thereafter. As in the Polish agreement, Esthonia is permitted to make certain smaller cash payments for the first five years following the execution of the agreement in lieu of the larger payments called for in the schedule submitted. These amounts aggregate \$1,000,000. The balance remaining unpaid is refunded at the end of five years at the rates of interest called for in the agreement.

Esthonia as a part of Russia was an ally of the United States in the early days of the Great War. She declared her independence shortly after the Bolshevik revolution in 1917. The country was invaded and devastated by the Germans and later by the Bolsheviks. Early in 1919 the American Relief Administration, through Mr. Hoover, came to the aid of her starving people. Great Britain also furnished much assistance. During 1919 Esthonia, acting through her agents in Paris, bought over \$12,000,000 worth of our surplus war supplies. When these supplies were purchased the Esthonian Government was virtually without resources and without proper organization. It took what supplies we had to give and was only concerned with getting them as quickly as possible. It had no funds for insurance. While it may be true that technically legal delivery was made to Esthonia before the goods left France, nevertheless, the commission felt that there was some justification in the position taken by the Esthonian representative and that a debt settlement could not be made unless a credit was allowed. It believed that it was best to grant the concession requested and effect a settlement of the debt rather than to postpone a settlement indefinitely. The credit was accordingly authorized by the commission on October 9, 1925.

Mr. President, as I have stated, the principal amount of the obligation was \$13,999,145.60. The amount of the indebtedness on June 16, 1925, with the credit already stated, was \$13,830,000. The amount to be paid during the 62-year period is \$33,331,140, so the present value of the settlement is 80.55 per cent.

Mr. OVERMAN. It is about the same as the settlement with Latvia?

Mr. SMOOT. It is exactly the same as the Polish settlement, with the credit which was given for the loss of the cargo on the ship which was sunk.

Mr. President, if there are any questions desired to be asked, I will be glad to answer them, if possible. If not, I should like to have a vote.

Mr. KING. Mr. President, on the 22d day of March, 1920, I offered a resolution in the Senate calling attention to the revolution in Russia in November, 1917, which placed a bolshevik régime in power in that unhappy country. The resolution referred to the separate governments which had been constituted in Esthonia, Latvia, and Lithuania, and which were preventing Bolshevik usurpations, and each of which was functioning and giving evidence of stability.

I asked in the resolution that the Government of the United States recognize the de facto existence of the governments established and existing in each of said countries. The resolution did not ask that de jure recognition be accorded. Personally I believed that the people residing in Latvia, Esthonia, and Lithuania desired permanent separation from Russia and wished to have governments of their own. However, in deference to the views of some Senators and others in the United States I prepared the resolution so that it would accord with their ideas. In so doing I hoped to obtain support which otherwise, I knew, would not be given the resolution.

Notwithstanding the fact that the inhabitants of these three countries had been under Russian rule and their countries had constituted a part of the great Russian Empire, there were many things which differentiated the Latvians, Estonians, and Lithuanians from the Slav Empire.

I have no purpose to discuss the origin of the peoples of Latvia, Estonia, and Lithuania or the differences—ethnological and racial—between them and the Russian people. I believed that the people of these three states were entitled to independence and that with their thrift, industry, culture, education, and moral qualities they would establish and maintain liberal governments and free institutions. I knew something of the virtues, the fine qualities, and national aspirations of the peoples of these States. Their situation during the war had been most tragic. Over their territory had passed invading and retreating armies, and their soil had been baptized with the blood of thousands who died upon sanguinary battle fields.

When Russia abandoned its place as a belligerent in the World War and succumbed to the evil influence of Bolshevism, the inhabitants of Latvia, Estonia, and Lithuania refused to submit to communistic rule and determined to establish and maintain independent governments founded upon republican lines. It required physical and moral courage to carry out these designs. Years of war had wrought devastation and destruction of life and property. The bolshevik government was a menacing foe and a powerful adversary. There were internal problems, in part political, but largely industrial and economic, which seemed unsolvable and which called for courage and faith of an almost sublime character to meet.

But the people were undaunted by reason of the dangers and difficulties and obstacles in their pathway which had to be surmounted if they were to succeed. They laid the foundations of their respective governments on liberalism and in democracy. They had lived under autocratic government and knew the evils of absolutism. They were inspired by the history of this great Republic and animated by the principles of liberty of which the American people are exponents. Above all, they had courage and confidence in themselves and felt that the time had come to realize their national aspirations and to set up governments under which they might live and work out their own destinies and develop the great and noble qualities with which the peoples of these countries are so richly endowed.

I was anxious that this Republic should be among the first to welcome them into the family of nations. For more than a century the United States has exhibited the deepest interest in all democratic movements, no matter in what land or clime they originated. The efforts of the Central and South American countries to emancipate themselves from Spanish rule evoked not only profound interest but generous and almost exuberant enthusiasm in the United States, and when Greece and other countries of Europe many years ago attempted to achieve independence, the American people in many ways and with unrestrained emotion gave evidence of their desire that success would crown their efforts.

Mr. President, with all the faults of the American people, they are sincerely devoted to liberty and to the triumph of democratic principles. They want not only freedom for the people of this land but they desire the same blessings for peoples of all lands. The American people are profoundly moved when they learn that misfortunes and sorrows have come to other peoples. They are deeply stirred when they learn of oppression and tyranny and famine and flood and tragedy. With all of their materialism, they are idealistic and rejoice in the achievements and victories that come to the inhabitants of the remotest corners of the earth.

The weak and the small nations are as dear to American hearts as are the powerful and the strong. They appreciate the benefits of local self-government and recognize that progress and moral, spiritual, and cultural growth may come to a homogeneous people, even though their numbers may be small.

The American people desire that small States shall have all the rights of large States and that the blessings of liberty shall be the patrimony of all. And so they feel a keen interest in Latvia, Estonia, and Lithuania, as well as all other nations born as the result of the World War. They feel that the United States is in part responsible for the birth of these States, and look with pride upon their development and unmistakable evidences of stability and uninterrupted progress. Our Government extended loans to them in the early days of their existence, and each of these debtors has exhibited a desire to discharge every obligation and to meet every honorable demand.

I am glad that a settlement has been made with respect to the obligations due from Latvia, Estonia, and Lithuania to the United States, and shall vote for the settlement presented

by the Debt Commission, which has been negotiated with Estonia and Lithuania, as I voted a few moments ago for the settlement presented which had been entered into with Latvia. It has been my pleasure to know the representatives of these States who have visited our shores and who have spoken for their countries. They have been men of culture and ability. They have been worthy representatives of free peoples and of progressive and democratic States.

I wish for the people of these States abundant prosperity and happiness and also those national blessings which come from the possession and application of the principles of justice and liberty.

Mr. HOWELL. Mr. President, from my knowledge of this debt settlement I feel that the Senate has not been fully informed respecting the amount thereof.

I had asked the Treasury Department for a statement of the balance of this account upon the Treasury books, and I regret to say that the statement did not include all that Estonia owed the United States.

I happen to have a statement from the Statesman's Year Book which indicates that the debt of Estonia to the United States at the present time is between \$17,000,000 and \$18,000,000; and after correcting the statement afforded by the Treasury Department it appears that up to December 15, 1922, the amount of the debt was approximately \$16,414,000. However, it will be noted that the settlement is made as of a date four years ago, and as a consequence interest upon the amount of the debt is not included for those four years. However, it will undoubtedly be urged that Estonia will pay, upon the amount funded, 3 per cent interest for the four years. Nevertheless, the fact that this settlement is made as of a date four years ago, although only concluded last fall, indicates that every means has been sought by the Treasury Department and by the Debt Commission to reduce the apparent amount of this indebtedness to our people.

I found, by investigating this settlement, that there was not included in the statement that had been afforded me by the Treasury Department the value of a cargo of goods sold to Estonia, amounting to something more than \$1,900,000.

Mr. SMOOT. But the Senator did not have to go very far to find it. It is in the President's message that was read; it is in the agreement here, and now it is spoken of to-day. The Treasury Department, so far as I know, never issued a statement on the subject.

Mr. HOWELL. Mr. President, I do not mean to state that the fact that this item had been deducted has not been rendered evident by the statements that have been made; but I do mean to say that the statement afforded me by the Treasury Department as to the balance upon the Treasury books—and I have it in my hand—did not include that \$1,900,000. As a consequence, a statement which I have previously made upon the floor of the Senate as to what this settlement means is erroneous.

Mr. SMOOT. What is the principal amount of the obligation to be refunded, if it is not according to the agreement?

Mr. HOWELL. Mr. President, in answer to the question of the Senator from Utah I will state that the amount afforded me by the Treasury Department, according to a statement which I hold in my hand, as due from Estonia as of date December 15, 1922, was \$14,142,000.

Mr. SMOOT. In every report I have before me and in the President's message it is given as \$13,999,145.60.

Mr. HOWELL. Oh, yes, Mr. President; that is what the Debt Commission has asserted in every statement it has made. It has made reference to the amount refunded as if it were the debt owed, but the amount refunded is the actual debt less the initial cancellation made by the Debt Commission.

Mr. SMOOT. No; the Senator is wrong again. The publications specifically state, in every one of them—

Obligations of foreign governments held by the United States Treasury, together with interest accrued remaining unpaid thereon as of the last interest period prior to or ending with November 15, 1925.

In the agreement here it is exactly the same, and in the report of the Treasury Department it is exactly the same.

Mr. HOWELL. Mr. President, I hand to the Senator from Utah the statement afforded me by the Treasury Department.

Mr. SMOOT. Has the Senator there a letter transmitting it?

Mr. HOWELL. I have not, Mr. President.

Mr. SMOOT. There is a difference here of one hundred and some odd thousand dollars.

Mr. HOWELL. I think the Senator will not deny that that is a statement afforded me by the Treasury Department.

Mr. SMOOT. Of course, this is only on a blank piece of paper. I do not know who prepared it.

Mr. HOWELL. The Senator has beside him an official of the Treasury Department from whom I secured these data, and

I think the Senator will be able to inform himself as to the correctness of my statement.

Mr. SMOOT. Of course, I do not know anything about this, Mr. President. I do know that all the statements that have been made of the obligations, not only in the President's message but in the statement of the Secretary of the Treasury and in the agreements between the United States and the different countries, agree to the very cent.

Mr. HOWELL. The fact is that this is a statement that was afforded me by the Treasury Department. The further fact is that it does not include this cargo to which I have referred, valued at one million nine hundred and some odd thousand dollars. If the cargo were included, and the statements were made on the basis of 5 per cent interest—the interest that Esthonia agreed to pay—the total debt as of the date stated would amount to about \$16,414,000.

The first step that was taken by the Debt Commission was to afford Esthonia an initial cancellation of \$2,583,000. Then the Debt Commission proceeded to fund the debt upon that basis.

Mr. SIMMONS. Mr. President, may I inquire of the Senator what was the reason for that initial cancellation?

Mr. HOWELL. I will call attention to it in just a moment. It is my purpose to do so in the course of my remarks if the Senator will allow me to proceed. This debt was then funded on this basis: One thousand dollars was to be paid in cash, leaving the amount to be funded as \$13,830,000, in round numbers.

As to this initial cancellation, the United States Government afforded Esthonia goods, \$500,000 worth of automobiles, trucks, motor cycles, and engineer's tools; \$100,000 worth of cigarettes and tobacco; and these, together with other goods, were delivered to Esthonia's representatives. Esthonia shipped them on the British steamer *John Russ*. Esthonia did not insure the cargo, and when the steamer was lost, of course, Esthonia lost the goods. But the Debt Commission concluded that the people of the United States were better able to sustain that loss than Esthonia, and therefore part of this initial cancellation is due to the writing off of that much of Esthonia's debt, all because Esthonia failed to insure a cargo of goods she had purchased and shipped. The remaining portion of the initial cancellation is due to a reduction in the rate of interest from what Esthonia agreed to pay to 4¼ per cent.

Mr. President, if we include every payment made by Esthonia under this debt settlement, determine its present worth, and then determine the annuity which it will purchase on a 4¼ per cent basis, the basis adopted by the Debt Commission, we will find that Esthonia will pay the United States on account of this debt 3.2 per cent interest for 62 years and then the debt of \$16,414,000 is to be canceled. Such are the facts respecting the settlement made of this small debt of \$16,414,000.

It is not justified. It is not fair to the people of the United States. It is not business. It is a further exhibition of the rôle the Debt Commission has developed for the United States, that of Santa Claus to European nations.

Mr. SIMMONS. Mr. President, do I understand from the Senator that interest is calculated upon the original indebtedness up to the time of the refund by the Debt Commission at 4¼ per cent?

Mr. HOWELL. At 4¼ per cent.

Mr. SIMMONS. Instead of 5 per cent, as provided in the original contract?

Mr. HOWELL. Yes. Then, in addition, they initially canceled the cost of that cargo, a little less than \$2,000,000.

Mr. SIMMONS. The Senator says that all the United States Government will receive from Esthonia will be 3.2 per cent from now until the end of the 62 years, and then the principal will be canceled?

Mr. HOWELL. Yes.

Mr. SIMMONS. How does that differ from the Italian settlement, except, as I understand, that they will pay about—

Mr. HOWELL. One and one-tenth per cent.

Mr. SIMMONS. And Esthonia will pay 3.2 per cent?

Mr. HOWELL. Three and two-tenths per cent.

Mr. SIMMONS. That is the difference?

Mr. HOWELL. That is the difference.

The PRESIDING OFFICER. The bill is as in Committee of the Whole and open to amendment. If no amendment is to be proposed, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. SMOOT. This being an obligation of a foreign country, I had thought we ought to have a ye and nay vote, but I do not know that we must have one; and if there is no question about it, I shall not ask for the yeas and nays.

Mr. HOWELL. I ask for the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BRATTON (when his name was called). I have a general pair with the junior Senator from Indiana [Mr. ROBINSON]. In his absence, I withhold my vote. If permitted to vote, I would vote "nay."

Mr. CURTIS (when Mr. CAPPER's name was called). I desire to announce the absence of my colleague [Mr. CAPPER] on account of illness in his family. If he were present, he would vote "yea."

Mr. WILLIS (when his name was called). I am paired with the junior Senator from Tennessee [Mr. TYSON]. I understand however, that if present he would vote as I expect to vote. I therefore vote "yea."

The roll call was concluded.

Mr. JONES of Washington. I desire to announce that the junior Senator from Minnesota [Mr. SCHALL] has a general pair with the senior Senator from Montana [Mr. WALSH].

I also desire to announce that the junior Senator from Missouri [Mr. WILLIAMS], the junior Senator from Delaware [Mr. DU PONT], and the junior Senator from Minnesota [Mr. SCHALL], are necessarily absent. If present, they would vote "yea."

Mr. PEPPER. On this question I have a pair with the senior Senator from South Carolina [Mr. SMITH]. I transfer that pair to the senior Senator from Vermont [Mr. GREENE], and vote "yea."

Mr. BROUSSARD. Making the same announcement as to my pair and its transfer as on the previous vote, I vote "yea."

Mr. McKELLAR. I desire to announce the unavoidable absence of my colleague [Mr. TYSON]. He has a general pair with the Senator from Ohio [Mr. WILLIS].

Mr. JONES of New Mexico. I desire to announce the necessary absence of the senior Senator from Rhode Island [Mr. GERRY]. If present, he would vote "yea."

Mr. BAYARD. I have a general pair with the junior Senator from Pennsylvania [Mr. REED]. If he were present, he would vote as I shall vote, and I will therefore vote. I vote "yea."

Mr. TRAMMELL. I desire to announce the unavoidable absence of my colleague [Mr. FLETCHER]. He has a pair with the junior Senator from Delaware [Mr. DU PONT].

The result was announced—yeas 51, nays 16, not voting 29, as follows:

YEAS—51

Bayard	Edge	Jones, Wash.	Pine
Bingham	Edwards	Kendrick	Ransdell
Broussard	Ernst	King	Sackett
Bruce	Ferris	Lenroot	Shortridge
Butler	Fess	McLean	Simmons
Cameron	George	McMaster	Smoot
Caraway	Gillett	McNary	Stanfield
Copeland	Goff	Means	Steck
Couzens	Gooding	Metcalf	Swanson
Cummins	Hale	Oddie	Wadsworth
Curtis	Harrell	Overman	Warren
Dale	Harrison	Pepper	Willis
Deneen	Jones, N. Mex.	Phipps	

NAYS—16

Blease	Harris	McKellar	Nye
Borah	Heflin	Mayfield	Sheppard
Dill	Howell	Neely	Shipstead
Frazier	La Follette	Norris	Trammell

NOT VOTING—29

Ashurst	Greene	Reed, Pa.	Walsh
Bratton	Johnson	Robinson, Ark.	Watson
Capper	Keyes	Robinson, Ind.	Weller
du Pont	McKinley	Schall	Wheeler
Fernald	Moses	Smith	Williams
Fletcher	Norbeck	Stephens	
Gerry	Pittman	Tyson	
Glass	Reed, Mo.	Underwood	

So the bill was passed.

BILLS OF INTERPLEADER BY INSURANCE COMPANIES, ETC.

The PRESIDING OFFICER laid before the Senate the amendments of the House of Representatives to the bill (S. 2296) authorizing insurance companies or associations or fraternal or beneficial societies to file bills of interpleader, which were, on page 1, line 5, after the word "any," to insert the following: "casualty company, surety company"; on page 1, line 10, after the word "society," to insert the following: "has in its custody or possession money or property of the value of \$500 or more, or"; on page 1, line 11, after the word "issued," to insert the following: "a bond or"; on page 1, line 12, after the word "more," to insert the following: "to the obligee or obligees in such bond or"; on page 2, line 5, after the word "to," to insert the following: "such money or property or the penalty of such bond, or to"; on page 2, line 6, after the word "has," to insert the following: "deposited such money or property or has"; on page 2, line 6, to strike out the word

"thereof" and insert in lieu thereof the following: "of such bond or policy"; on page 2, line 23, after the word "are," to insert the following: "claimants of such money or property, or in case there are"; on page 2, line 24, after the word "beneficiaries," to insert the following: "under any such bond or policy"; on page 3, line 1, after the word "of," to insert the following: "a claimant or"; on page 3, line 1, after the word "deceased," to insert the following: "claimant or"; and on page 3, line 7, after the word "court," where it appears the second time, to insert the following: "on account of such money or property or on such bond or."

Mr. PEPPER. I move that the Senate concur in the amendments made by the House; and since the House has failed to amend the title of the bill so as to make the title conform to the changes in it by the amendments, I offer a concurrent resolution in connection with the motion to concur.

The PRESIDING OFFICER. The question is on the motion of the Senator from Pennsylvania that the Senate concur in the House amendments.

The motion was agreed to.

The PRESIDING OFFICER. The Senator from Pennsylvania submits a concurrent resolution, which will be read.

The concurrent resolution (S. Con. Res. 16) was read, considered by unanimous consent, and agreed to as follows:

Resolved by the Senate (the House of Representatives concurring). That the Secretary of the Senate be, and he is hereby, authorized and directed, in the enrollment of the bill (S. 2296) authorizing insurance companies or associations or fraternal or beneficial societies to file bills of interpleader, to insert in the title thereof, after the word "authorizing," the following: "casualty companies, surety companies," so that the title, as amended, will read: "An act authorizing casualty companies, surety companies, insurance companies or associations or fraternal or beneficial societies to file bills of interpleader."

SETTLEMENT OF RUMANIAN INDEBTEDNESS

Mr. SMOOT. Mr. President, I ask that the Senate proceed to the consideration of House bill 6772 for the settlement of the indebtedness of Rumania.

The PRESIDING OFFICER. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 6772) to authorize the settlement of the indebtedness of the Kingdom of Rumania to the United States of America.

Mr. SMOOT. Mr. President, on December 4, 1925, an agreement was executed for the funding of the debt of the Kingdom of Rumania. I ask unanimous consent to have printed in the Record at this point a copy of that agreement.

The PRESIDING OFFICER. Without objection, the request of the Senator from Utah will be granted, and the agreement will be printed in the Record.

The agreement is as follows:

Agreement made the 4th day of December, 1925, at the city of Washington, D. C., between the Kingdom of Rumania, hereinafter called Rumania, party of the first part, and the United States of America, hereinafter called the United States, party of the second part.

Whereas Rumania is indebted to the United States as of June 15, 1925, upon obligations in the aggregate principal amount of \$36,128,494.94, together with interest accrued and unpaid thereon; and

Whereas Rumania desires to fund said indebtedness to the United States, both principal and interest, through the issue of bonds to the United States, and the United States is prepared to accept bonds from Rumania upon the terms and conditions hereinafter set forth:

Now, therefore, in consideration of the premises and of the mutual covenants herein contained, it is agreed as follows:

1. Amount of indebtedness: The amount of the indebtedness to be funded, after allowing for cash payments made or to be made by Rumania and the credit set out below, is \$44,590,000, which has been computed as follows:

Principal amount of indebtedness to be funded.....	\$36,128,494.94
Interest accrued and unpaid thereon to Dec. 15, 1922, at the rate of 4½ per cent a year.....	5,365,806.08
Total indebtedness as of Dec. 15, 1922.....	41,494,301.02
Interest accrued and unpaid thereon to June 15, 1925, at the rate of 3 per cent a year.....	3,112,072.59
	44,606,373.61
Credits allowed by War Department for material, to- gether with interest thereon.....	11,922.07
Total net indebtedness as of June 15, 1925.....	44,594,451.54
To be paid in cash upon execution of agreement.....	4,451.54
Total indebtedness to be funded into bonds.....	44,590,000.00

2. Payment: In order to provide for the payment of the indebtedness thus to be funded Rumania will issue to the United States at par bonds of Rumania dated June 15, 1925, in the principal amounts and maturing serially on the several dates fixed in the following schedule:

June 15—		June 15—	
1926.....	\$200,000.00	1958.....	\$800,000.00
1927.....	300,000.00	1959.....	828,000.00
1928.....	400,000.00	1960.....	857,000.00
1929.....	500,000.00	1961.....	887,000.00
1930.....	600,000.00	1962.....	918,000.00
1931.....	700,000.00	1963.....	950,000.00
1932.....	800,000.00	1964.....	984,000.00
1933.....	1,000,000.00	1965.....	1,018,000.00
1934.....	1,200,000.00	1966.....	1,053,000.00
1935.....	1,400,000.00	1967.....	1,090,000.00
1936.....	1,600,000.00	1968.....	1,129,000.00
1937.....	1,800,000.00	1969.....	1,168,000.00
1938.....	2,000,000.00	1970.....	1,209,000.00
1939.....	2,200,000.00	1971.....	1,252,000.00
1940.....	430,560.43	1972.....	1,295,000.00
1941.....	445,000.00	1973.....	1,341,000.00
1942.....	462,000.00	1974.....	1,387,000.00
1943.....	478,000.00	1975.....	1,436,000.00
1944.....	494,000.00	1976.....	1,486,000.00
1945.....	512,000.00	1977.....	1,539,000.00
1946.....	529,000.00	1978.....	1,592,000.00
1947.....	548,000.00	1979.....	1,648,000.00
1948.....	567,000.00	1980.....	1,706,000.00
1949.....	587,000.00	1981.....	1,766,000.00
1950.....	608,000.00	1982.....	1,827,000.00
1951.....	629,000.00	1983.....	1,891,000.00
1952.....	651,000.00	1984.....	1,957,000.00
1953.....	673,000.00	1985.....	2,026,000.00
1954.....	697,000.00	1986.....	2,097,000.00
1955.....	722,000.00	1987.....	2,172,000.00
1956.....	747,000.00		
1957.....	773,000.00	Total.....	66,560,560.43

Provided, However, That Rumania, at its option, upon not less than 90 days' advance notice to the United States, may postpone any payment on account of principal falling due as hereinabove provided after June 15, 1939, to any subsequent June 15 or December 15 not more than two years distant from its due date, but only on condition that in case Rumania shall at any time exercise this option as to any payment of principal, the payment falling due in the next succeeding year can not be postponed to any date more than one year distant from the date when it becomes due unless and until the payment previously postponed shall actually have been made, and the payment falling due in the second succeeding year can not be postponed at all unless and until the payment of principal due two years previous thereto shall actually have been made.

3. Form of bond: All bonds issued or to be issued hereunder to the United States shall be payable to the Government of the United States of America, or order, and shall be signed for Rumania by its envoy extraordinary and minister plenipotentiary at Washington, or by its other duly authorized representative. The bonds issued for the first 14 annual payments shall be substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit A," shall be issued in 14 pieces in the principal amounts fixed in the preceding schedule, maturing annually on June 15 of each year up to and including June 15, 1939, and shall not bear interest before maturity. The bonds maturing subsequent to June 15, 1939, shall be substantially in the form set forth in the exhibit hereto annexed and marked "Exhibit B," and shall be issued in 48 pieces with maturities and in denominations as hereinabove set forth and shall bear interest at the rate of 3½ per cent per annum from June 15, 1939, payable semiannually on June 15 and December 15 of each year until the principal of such bonds shall be paid.

4. Method of payment: All bonds issued or to be issued hereunder shall be payable, as to both principal and interest, in United States gold coin of the present standard of value, or, at the option of Rumania, upon not less than 30 days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

All payments, whether in cash or in obligations of the United States, to be made by Rumania on account of the principal of or interest on any bonds issued or to be issued hereunder and held by the United States, shall be made at the Treasury of the United States in Washington, or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York, and if in cash shall be made in funds immediately available on the date of payment, or if in obligations of the United States shall be in form acceptable to the Secretary of the Treasury of the United States under the general regulations of the Treasury Department governing transactions in United States obligations.

5. Exemption from taxation: The principal and interest of all bonds issued or to be issued hereunder shall be paid without deduction for, and shall be exempt from, any and all taxes or other public dues, present or future, imposed by or under authority of Rumania or any political or local taxing authority within the Kingdom of Rumania, whenever, so long as, and to the extent that beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Rumania, or (c) a corporation not organized under the laws of Rumania.

6. Payments before maturity: Rumania, at its option, on June 15 or December 15 of any year, upon not less than 90 days' advance notice to the United States, may make advance payments in amounts of \$1,000 or multiples thereof, on account of the principal of any

bonds issued or to be issued hereunder and held by the United States. Any such advance payments shall be applied to the principal of such bonds as may be indicated by Rumania at the time of the payment.

7. Exchange for marketable obligations: Rumania will issue to the United States at any time, or from time to time, at the request of the Secretary of the Treasury of the United States, in exchange for any or all of the bonds issued hereunder and held by the United States, definitive engraved bonds in form suitable for sale to the public, in such amounts and denominations as the Secretary of the Treasury of the United States may request, in bearer form, with provision for registration as to principal and/or in fully registered form, and otherwise on the same terms and conditions, as to dates of issue and maturity, rate or rates of interest, if any, exemption from taxation, payment in obligations of the United States issued after April 6, 1917, and the like, as the bonds surrendered on such exchange. Rumania will deliver definitive engraved bonds to the United States in accordance herewith within six months of receiving notice of any such request from the Secretary of the Treasury of the United States, and pending the delivery of the definitive engraved bonds will deliver, at the request of the Secretary of the Treasury of the United States, temporary bonds or interim receipts in form satisfactory to the Secretary of the Treasury of the United States within 30 days of the receipt of such request, all without expense to the United States. The United States, before offering any such bonds or interim receipts for sale in Rumania, will first offer them to Rumania for purchase at par and accrued interest, if any, and Rumania shall likewise have the option, in lieu of issuing any such bonds or interim receipts, to make advance redemption, at par and accrued interest, if any, of a corresponding principal amount of bonds issued hereunder and held by the United States. Rumania agrees that the definitive engraved bonds called for by this paragraph shall contain all such provisions, and that it will cause to be promulgated all such rules, regulations, and orders as shall be deemed necessary or desirable by the Secretary of the Treasury of the United States in order to facilitate the sale of the bonds in the United States, in Rumania, or elsewhere, and that if requested by the Secretary of the Treasury of the United States it will use its good offices to secure the listing of the bonds on such stock exchanges as the Secretary of the Treasury of the United States may specify.

8. Cancellation and surrender of obligations: Upon the execution of this agreement the delivery to the United States of the \$66,560,560.43 principal amount of bonds of Rumania to be issued hereunder, together with satisfactory evidence of authority for the execution of this agreement by the representatives of Rumania and for the execution of the bonds to be issued hereunder, the United States will cancel and surrender to Rumania at the Treasury of the United States in Washington the obligations of Rumania held by the United States.

9. Notices: Any notice, request, or consent under the hand of the Secretary of the Treasury of the United States shall be deemed and taken as the notice, request, or consent of the United States, and shall be sufficient if delivered at the legation of Rumania at Washington or at the office of the Ministry of Finance in Rumania; and any notice, request, or election from or by Rumania shall be sufficient if delivered to the American legation at Bucharest or to the Secretary of the Treasury at the Treasury of the United States in Washington. The United States, in its discretion, may waive any notice required hereunder, but any such waiver shall be in writing and shall not extend to or affect any subsequent notice or impair any right of the United States to require notice hereunder.

10. Compliance with legal requirements: Rumania represents and agrees that the execution and delivery of this agreement have in all respects been duly authorized and that all acts, conditions, and legal formalities which should have been completed prior to the making of this agreement have been completed as required by the laws of Rumania and in conformity therewith.

11. Counterparts: This agreement shall be executed in two counterparts, each of which shall have the force and effect of an original.

In witness whereof Rumania has caused this agreement to be executed on its behalf by N. Titulescu, envoy extraordinary and minister plenipotentiary to his Britannic majesty and president of the Rumanian Debt Funding Commission at Washington, thereunto duly authorized, subject, however, to ratification by Rumanian Parliament, and the United States has likewise caused this agreement to be executed on its behalf by the Secretary of the Treasury, as chairman of the World War Foreign Debt Commission, with the approval of the President, subject, however, to the approval of Congress, pursuant to the act of Congress approved February 9, 1922, as amended by the act of Congress approved February 28, 1923, and as further amended by the act of Congress approved January 21, 1925, all on the day and the year first above written.

THE KINGDOM OF RUMANIA,

By N. TITULESCU.

THE UNITED STATES OF AMERICA,

(For the World War Foreign Debt Commission:)

By A. W. MELLON,

Secretary of the Treasury and Chairman of the Commission.

Approved:

CALVIN COOLIDGE,

President.

EXHIBIT A

(Form of bond)

THE KINGDOM OF RUMANIA

No. —

The Kingdom of Rumania, hereinafter called Rumania, for value received, promises to pay to the Government of the United States of America, hereinafter called the United States, or order, on June 15, 19—, the sum of — dollars (\$—). This bond is payable in gold coin of the United States of America of the present standard of value, or, at the option of Rumania, upon not less than 30 days' advance notice to the United States, in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

This bond is payable without deduction for, and is exempt from, any and all taxes and other public dues, present or future, imposed by or under authority of Rumania or any political or local taxing authority within Rumania, whenever, so long as, and to the extent that, beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Rumania, or (c) a corporation not organized under the laws of Rumania. This bond is payable at the Treasury of the United States in Washington, D. C., or, at the option of the Secretary of the Treasury of the United States, at the Federal Reserve Bank of New York.

This bond is issued pursuant to the provisions of paragraph 2 of an agreement dated December 4, 1925, between Rumania and the United States, to which agreement this bond is subject, and to which reference is hereby made.

In witness whereof Rumania has caused this bond to be executed in its behalf by its — at the city of Washington, D. C., thereunto duly authorized, as of June 15, 1925.

THE KINGDOM OF RUMANIA,

By —

EXHIBIT B

(Form of bond)

THE KINGDOM OF RUMANIA

No. —

The Kingdom of Rumania, hereinafter called Rumania, for value received, promises to pay to the Government of the United States of America, hereinafter called the United States, or order, on June 15, 19—, the sum of — dollars (\$—), and to pay interest upon said principal sum from June 15, 1939, at the rate of 3½ per cent per annum, payable semiannually on the 15th day of December and June in each year until the principal hereof has been paid. This bond is payable as to both principal and interest in gold coin of the United States of America of the present standard of value, or, at the option of Rumania, upon not less than 30 days' advance notice to the United States in any obligations of the United States issued after April 6, 1917, to be taken at par and accrued interest to the date of payment hereunder.

This bond is payable as to both principal and interest without deduction for, and is exempt from, any and all taxes and other public dues, present or future, imposed by or under authority of Rumania or any political or local taxing authority within the Kingdom of Rumania, whenever, so long as, and to the extent that, beneficial ownership is in (a) the Government of the United States, (b) a person, firm, or association neither domiciled nor ordinarily resident in Rumania, or (c) a corporation not organized under the laws of Rumania. This bond is payable as to both principal and interest at the Treasury of the United States in Washington, D. C., or at the option of the Secretary of the Treasury of the United States at the Federal Reserve Bank of New York.

This bond is issued pursuant to the provisions of paragraph 2 of an agreement dated December 4, 1925, between Rumania and the United States, to which agreement this bond is subject and to which reference is hereby made.

In witness whereof Rumania has caused this bond to be executed in its behalf by its — at the city of Washington, D. C., thereunto duly authorized, as of June 15, 1925.

THE KINGDOM OF RUMANIA,

By —

Mr. SMOOT. The indebtedness was funded as of June 15, 1925. The principal amount of obligations held by the United States was \$36,128,494.94. Interest on this amount, calculated to December 15, 1922, at 4½ per cent per annum, aggregating \$5,365,806.08, was added to the original principal, making the indebtedness as of December 15, 1922, \$41,494,301.02. Interest on this amount, calculated at the rate of 3 per cent per annum from December 15, 1922, to June 15, 1925, aggregating \$3,112,072.59, was added, making the total debt as of June 15, 1925, \$44,606,373.61. Against this amount there were allowed by the War Department certain credits aggregating \$11,922.07. Rumania paid in cash upon the execution of the agreement \$4,451.54, making the total indebtedness to be funded into bonds \$44,590,000.

The principal of the debt so established is to be paid over a period of 62 years with interest at the rate of 3 per cent per annum for the first 10 years and 3½ per cent per annum thereafter. During the first 14 years the following total annual payments are to be paid, the balance of each annuity at the above rate to be funded over the remaining 48 years:

June 15—	June 15—
1926.....\$200,000	1931.....\$700,000
1927.....300,000	1932.....800,000
1928.....400,000	1933.....1,000,000
1929.....500,000	1934.....1,200,000
1930.....600,000	1935.....1,400,000

Statement of amounts payable to the United States on account of proposed refunding bonds to be issued by Rumania (interest at 3 per cent per annum for first 10 years and 3½ per cent thereafter—all deferred amounts are compounded annually at those rates)

Year	Principal	Annual interest due	Annual principal due	Total amount due annually	Total amount to be paid annually	Amount deferred each year	Value of each deferred amount on fifteenth year
1921.....	\$44,590,000.00	\$1,337,700.00	\$222,000.00	\$1,559,700.00	\$200,000.00	\$1,359,700.00	\$2,035,817.04
1922.....	44,368,000.00	1,331,040.00	229,000.00	1,560,040.00	300,000.00	1,260,040.00	1,831,651.22
1923.....	44,139,000.00	1,324,170.00	236,000.00	1,560,170.00	400,000.00	1,160,170.00	1,637,355.28
1924.....	43,903,000.00	1,317,090.00	243,000.00	1,560,090.00	500,000.00	1,060,090.00	1,452,535.10
1925.....	43,660,000.00	1,309,800.00	250,000.00	1,559,800.00	600,000.00	959,800.00	1,276,814.66
1926.....	43,410,000.00	1,302,300.00	258,000.00	1,560,300.00	700,000.00	860,300.00	1,111,117.32
1927.....	43,152,000.00	1,294,560.00	265,000.00	1,559,560.00	800,000.00	759,560.00	952,433.76
1928.....	42,887,000.00	1,286,610.00	273,000.00	1,559,610.00	1,000,000.00	559,610.00	681,272.62
1929.....	42,614,000.00	1,278,420.00	282,000.00	1,560,420.00	1,200,000.00	360,420.00	425,997.58
1930.....	42,332,000.00	1,269,960.00	290,000.00	1,559,960.00	1,400,000.00	159,960.00	183,557.62
1931.....	42,042,000.00	1,471,470.00	296,000.00	1,767,470.00	1,600,000.00	167,470.00	185,676.84
1932.....	41,746,000.00	1,461,110.00	338,890.00	1,800,000.00	1,800,000.00		
1933.....	41,407,110.00	1,449,248.85	550,751.15	2,000,000.00	2,000,000.00		
1934.....	40,856,358.85	1,429,972.56	770,027.44	2,200,000.00	2,200,000.00		
Add value of amounts deferred.....	40,086,331.41	18,863,451.41	4,503,668.59	23,367,120.00	14,700,000.00	8,667,120.00	11,774,229.02

Year	Principal	Annual interest due	Annual principal due	Total amount to be paid annually
1940.....	\$51,860,560.43	\$1,815,119.62	\$430,560.43	\$2,245,680.05
1941.....	51,430,000.00	1,800,050.00	445,000.00	2,245,050.00
1942.....	50,985,000.00	1,784,475.00	462,000.00	2,246,475.00
1943.....	50,523,000.00	1,768,305.00	478,000.00	2,246,305.00
1944.....	50,045,000.00	1,751,575.00	494,000.00	2,245,575.00
1945.....	49,551,000.00	1,734,285.00	512,000.00	2,246,285.00
1946.....	49,039,000.00	1,716,365.00	529,000.00	2,245,365.00
1947.....	48,510,000.00	1,697,850.00	548,000.00	2,245,850.00
1948.....	47,962,000.00	1,678,670.00	567,000.00	2,245,670.00
1949.....	47,395,000.00	1,658,825.00	587,000.00	2,245,825.00
1950.....	46,808,000.00	1,638,280.00	608,000.00	2,246,280.00
1951.....	46,200,000.00	1,617,000.00	629,000.00	2,246,000.00
1952.....	45,571,000.00	1,594,985.00	651,000.00	2,245,985.00
1953.....	44,920,000.00	1,572,200.00	673,000.00	2,245,200.00
1954.....	44,247,000.00	1,548,645.00	697,000.00	2,245,645.00
1955.....	43,550,000.00	1,524,250.00	722,000.00	2,246,250.00
1956.....	42,828,000.00	1,498,980.00	747,000.00	2,245,980.00
1957.....	42,081,000.00	1,472,835.00	773,000.00	2,245,835.00
1958.....	41,308,000.00	1,445,780.00	800,000.00	2,245,780.00
1959.....	40,508,000.00	1,417,780.00	828,000.00	2,245,780.00
1960.....	39,680,000.00	1,388,800.00	857,000.00	2,245,800.00
1961.....	38,823,000.00	1,358,805.00	887,000.00	2,245,805.00
1962.....	37,936,000.00	1,327,760.00	918,000.00	2,245,760.00
1963.....	37,018,000.00	1,295,630.00	950,000.00	2,245,630.00
1964.....	36,068,000.00	1,262,380.00	984,000.00	2,246,380.00
1965.....	35,084,000.00	1,227,940.00	1,018,000.00	2,245,940.00
1966.....	34,066,000.00	1,192,310.00	1,053,000.00	2,245,310.00
1967.....	33,013,000.00	1,155,455.00	1,090,000.00	2,245,455.00
1968.....	31,923,000.00	1,117,305.00	1,129,000.00	2,246,305.00
1969.....	30,794,000.00	1,077,790.00	1,168,000.00	2,245,790.00
1970.....	29,626,000.00	1,036,910.00	1,209,000.00	2,245,910.00
1971.....	28,417,000.00	994,595.00	1,252,000.00	2,246,595.00
1972.....	27,165,000.00	950,775.00	1,296,000.00	2,245,775.00
1973.....	25,870,000.00	905,450.00	1,341,000.00	2,246,450.00
1974.....	24,529,000.00	858,515.00	1,387,000.00	2,245,515.00
1975.....	23,142,000.00	809,970.00	1,436,000.00	2,245,970.00
1976.....	21,706,000.00	759,710.00	1,486,000.00	2,245,710.00
1977.....	20,220,000.00	707,700.00	1,539,000.00	2,246,700.00
1978.....	18,681,000.00	653,833.00	1,592,000.00	2,245,833.00
1979.....	17,089,000.00	598,115.00	1,648,000.00	2,246,115.00
1980.....	15,441,000.00	540,435.00	1,706,000.00	2,246,435.00
1981.....	13,735,000.00	480,725.00	1,765,000.00	2,245,725.00
1982.....	11,970,000.00	418,950.00	1,827,000.00	2,245,950.00
1983.....	10,143,000.00	355,005.00	1,891,000.00	2,246,005.00
1984.....	8,252,000.00	288,820.00	1,957,000.00	2,245,820.00
1985.....	6,295,000.00	220,325.00	2,026,000.00	2,246,325.00
1986.....	4,269,000.00	149,415.00	2,097,000.00	2,246,415.00
1987.....	2,172,000.00	76,020.00	2,172,000.00	2,248,020.00
Add total amount received first 14 years.....		55,945,699.62	51,860,560.43	107,806,260.05
				14,700,000.00
				122,506,260.05

Mr. SMOOT. The schedule of payments which I have just had set forth in the RECORD was agreed upon to meet the estimated fiscal requirements of the Rumanian Government.

June 15—	June 15—
1936.....\$1,600,000	1938.....\$2,000,000
1937.....1,800,000	1939.....2,200,000

I ask unanimous consent to have printed in the RECORD a schedule showing the total payments of principal and interest to be made each year with the amount deferred during the first 14 years.

The PRESIDING OFFICER. Without objection, the request of the Senator from Utah will be granted and the schedule will be printed in the RECORD.

The schedule is as follows:

I think, Mr. President, that statement covers the items and the principles of our agreement.

The PRESIDING OFFICER. The bill is as in Committee of the Whole and open to amendment. If there are no amendments to be offered as in Committee of the Whole, the bill will be reported to the Senate.

The bill was reported to the Senate without amendment, ordered to a third reading, and was read the third time.

The PRESIDING OFFICER. The question is, Shall the bill pass?

Mr. NEELY. Let us have the yeas and nays.

The yeas and nays were ordered, and the legislative clerk proceeded to call the roll.

Mr. BAYARD (when his name was called). I have a general pair with the junior Senator from Pennsylvania [Mr. REED]. If he were present, he would vote as I desire to vote. I shall therefore vote. I vote "yea."

Mr. BRATTON (when his name was called). I have a general pair with the junior Senator from Indiana [Mr. ROBINSON]. If at liberty to vote, I should vote "nay." Under the circumstances I withhold my vote.

Mr. BROUSSARD (when his name was called). Making the same announcement as heretofore, I vote "yea."

Mr. CURTIS (when Mr. CAPPER's name was called). Repeating the announcement made previously with reference to the absence of my colleague [Mr. CAPPER], I desire to state that if present he would vote "yea."

Mr. PEPPER (when his name was called). On this question I am paired with the senior Senator from South Carolina [Mr. SMITH], which I transfer to the senior Senator from Vermont [Mr. GREENE], and vote "yea."

Mr. MCKELLAR (when Mr. TYSON's name was called). The junior Senator from Tennessee [Mr. TYSON] is unavoidably absent from the city. He has a general pair with the senior Senator from Ohio [Mr. WILLIS].

Mr. WILLIS (when his name was called). I am paired with the junior Senator from Tennessee [Mr. TYSON]. I am advised that he would vote as I expect to vote, and I therefore vote "yea."

The roll call was concluded.

Mr. JONES of Washington. I desire to announce the following general pairs:

The Senator from Minnesota [Mr. SCHALL] with the Senator from Montana [Mr. WALSH]; and

The Senator from Connecticut [Mr. BINGHAM] with the Senator from Montana [Mr. WHEELER].

I also desire to announce the necessary absence of the Senator from Delaware [Mr. DU PONT], the Senator from Vermont [Mr. GREENE], the Senator from Minnesota [Mr. SCHALL], and

the Senator from Missouri [Mr. WILLIAMS], each of whom would, if present, vote "yea."

Mr. HARRIS. I desire to announce that the Senator from Rhode Island [Mr. GERRY] is necessarily absent. If he were present, he would vote "yea."

The result was announced—yeas 51, nays 16, as follows:

YEAS—51			
Bayard	Edwards	King	Sackett
Bingham	Ernst	Lenroot	Shortridge
Broussard	Ferris	McLean	Simmons
Bruce	Fess	McMaster	Smoot
Butler	George	McNary	Stanfield
Cameron	Gillett	Means	Steck
Caraway	Goff	Metcalf	Swanson
Copeland	Gooding	Norbeck	Wadsworth
Couzens	Hale	Oddie	Warren
Curtis	Harrell	Pepper	Watson
Dale	Jones, N. Mex.	Phipps	Weller
Deneen	Jones, Wash.	Pine	Willis
Edge	Kendrick	Robinson, Ark.	

NAYS—16			
Blease	Hefin	McKellar	Nye
Dill	Howell	Mayfield	Reed, Mo.
Frazier	Johnson	Neely	Sheppard
Harris	La Follette	Norris	Trammell

NOT VOTING—29			
Ashurst	Gerry	Pittman	Tyson
Borah	Glass	Ransdell	Underwood
Bratton	Greene	Reed, Pa.	Walsh
Capper	Harrison	Robinson, Ind.	Wheeler
Cummins	Keyes	Schall	Williams
du Pont	McKinley	Shipstead	
Fernald	Moses	Smith	
Fletcher	Overman	Stephens	

So the bill was passed, as follows:

Be it enacted, etc., That the settlement of the indebtedness of the Kingdom of Rumania to the United States of America made by the World War Foreign Debt Commission and approved by the President upon the terms and conditions as set forth in Senate Document No. 5, Sixty-ninth Congress, first session, is hereby approved in general terms as follows:

The amount of the indebtedness to be funded, after allowing for the cash payments made by the Kingdom of Rumania and the credits set out below, is \$44,590,000, which has been computed as follows:

Principal amount of indebtedness to be funded.....	\$36,128,494.94
Interest accrued and unpaid thereon to Dec. 15, 1922, at the rate of 4½ per cent a year.....	5,365,806.08
Total indebtedness as of Dec. 15, 1922.....	41,494,301.02
Interest accrued and unpaid thereon to June 15, 1925, at the rate of 3 per cent a year.....	3,112,072.59
	44,606,373.61
Credits allowed by War Department on material together with interest thereon.....	11,922.07
Total net indebtedness as of June 15, 1925.....	44,594,451.54
To be paid in cash upon execution of agreement.....	4,451.54
Total indebtedness to be funded into bonds.....	44,590,000.00

The principal amount of the bonds to be delivered to the United States is \$66,560,560.43, the increase over the funded indebtedness as of June 15, 1925, being due to the smaller payments during the first 14 years than would have been payable upon the basis of the British-American settlement, this difference being funded over the remaining 48 years, compounded annually, at the rates of 3 per cent per annum up to and including the tenth year and 3½ per cent per annum from the eleventh to the fourteenth year, both inclusive. The principal of the bonds shall be paid in annual installments on June 15 of each year up to and including June 15, 1937, subject to the right of the Kingdom of Rumania, after June 15, 1939, to make such payments in three-year periods. The first 14 annual installments are to be paid without interest on the dates specified and in the following amounts: June 15, 1926, \$200,000; June 15, 1927, \$300,000; June 15, 1928, \$400,000; June 15, 1929, \$500,000; June 15, 1930, \$600,000; June 15, 1931, \$700,000; June 15, 1932, \$800,000; June 15, 1933, \$1,000,000; June 15, 1934, \$1,200,000; June 15, 1935, \$1,400,000; June 15, 1936, \$1,600,000; June 15, 1937, \$1,800,000; June 15, 1938, \$2,000,000; June 15, 1939, \$2,200,000. The remaining 48 installments are to be paid annually on June 15 of each year, with interest at the rate of 3½ per cent per annum from June 15, 1939, payable semiannually on June 15 and December 15 of each year. The amount of the installment due in the fifteenth year is \$430,560.43, the annual installments to increase thereafter until in the sixty-second year the amount of the final installment will be \$2,172,000, the aggregate installments being equal to the total face amount of bonds to be delivered, namely, \$66,560,560.43.

The Kingdom of Rumania shall have the right to pay off additional amounts of the principal of the bonds on June 15 or December 15 of any year upon not less than 90 days' advance notice.

Any payment of interest or of principal may be made at the option of the Kingdom of Rumania in any obligations of the United States issued after April 6, 1917, such obligations to be taken at par and accrued interest.

Mr. HOWELL obtained the floor.

Mr. SMOOT. Will the Senator from Nebraska permit me to call up the next debt settlement bill, House bill 6777?

Mr. HOWELL. No, Mr. President; not at this time. I desired to have an opportunity to state, for the RECORD at least, the facts respecting the Rumanian debt settlement. It seems that I was denied the privilege when the settlement was under consideration. However, I will admit that it was partly my own fault.

Mr. President, the Senate has just voted to approve the Rumanian debt settlement, and I think the Senate ought to know certain facts which have not been made clear. The amount of the debt as per the Treasury books is not \$44,590,000, the amount that has been refunded, but \$46,945,000. The debt commission afforded an initial cancellation of \$2,351,000.

By whom is this debt owed to the United States and to whom is this cancellation afforded? Rumania, as the result of the World War, doubled her territory and her population. To-day Rumania has a population of about 17,500,000. If Rumania's war debt to-day, as the result of the recent war, were as great as that of the United States in proportion to population, it would be over \$3,000,000,000, but her total interest-bearing war debt as the result of the recent war is only about \$267,000,000. Yet by our action we have canceled \$47,000,000 of that debt.

Mr. President, it was openly stated here in Washington that the Rumanian minister was recalled because he insisted that his Government was capable of paying its debt in full and that it ought to do so; that it ought not even ask for an extension of payments over 62 years. An article appeared in a Washington paper over the signature of one of our leading publicists stating this fact; and I ask unanimous consent to insert in the RECORD that statement, made by Mr. Frederic William Wile.

The PRESIDING OFFICER (Mr. LENROOT in the chair). Without objection, it is so ordered.

The statement is as follows:

Prince Antoine Bibesco's friends in Washington—whose name is legion—have thrown amazing light on the real reasons for the Rumanian minister's recall from the United States. The reasons are directly concerned with the recent Rumanian debt-funding arrangements in Washington. Prince Bibesco wanted his country to pay the United States in cash in full and at once.

According to his friends here, Bibesco contended that the Rumanian treasury was able to do this. It owed America \$44,128,000, including principal and accrued interest, compared to the \$106,000,000 Rumania owes Great Britain, and the 1,132,000,000 francs it owes France. But M. Titulesco, the Rumanian minister to Great Britain, who conducted the recent negotiations at Washington, was without instructions from Bucharest to effect a cash settlement here.

ANXIOUS TO APPEASE FRANCE

It is understood that the Rumanian Government's objections were based on a desire not to offend France. Not only is Rumania heavily in France's debt, but there are military understandings between the two countries that naturally would deter Rumanian statesmen from doing anything that would cause disagreeable comment at Paris. There was the further consideration in the French mind, of course, that France herself had not yet come to any kind of debt terms with America.

At any rate, M. Titulesco demurred sternly to Prince Bibesco's cash-settlement proposal, and the Bucharest authorities sustained Titulesco's position. It was an open secret in official, diplomatic, and society circles that there was a rift in the Rumanian lute during the negotiations in Washington. The debt mission was quartered at a hotel, and it saw little or nothing of the officials at the legation. There was one formal dinner party, at which the Prince and Princess Bibesco were hosts to their compatriots, but the usual round of entertaining which marked all debt-mission activities in Washington when other countries were conducting them suddenly ceased. The secret, Bibesco's intimates assert, is that which is herein for the first time publicly disclosed.

The Rumanian debt was finally funded for a grand total of \$44,590,000, of which some \$8,000,000 was unpaid interest. In addition to the money she owes America, Great Britain, and France, Rumania's "interallied" debts include 151,000,000 francs owed Italy and 24,000,000 francs owed Belgium. It is supposed that the Rumanian Government had all of these obligations in mind, though particularly the French debt, when it did not see its way to accede to Prince Bibesco's proposal for a cash settlement with the United States.

Few foreign diplomats stationed at Washington in recent years achieved the widespread popularity acquired by Prince Bibesco and his wife. They have been here since February, 1921—nearly five years. The minister's wife (formerly Elizabeth Asquith, daughter of the one-time Prime Minister of Great Britain and his famous consort, Margot Asquith) is one of the most brilliant intellects that has ever scintillated across the Washington horizon.

Mr. HOWELL. But, Mr. President, notwithstanding Rumania has 17,500,000 people, notwithstanding the fact that she doubled her population and her territory during the war, notwithstanding her interest-bearing war debt is only about \$267,000,000, while if it were as great in proportion as is our war debt it would be over \$3,000,000,000, we have canceled this debt \$47,000,000.

We have afforded Rumania better terms than we afforded Great Britain; we have afforded Rumania better terms than we afforded Latvia; we have afforded Rumania better terms than we afforded Finland; we have afforded Rumania better terms than we afforded Hungary; better terms than we afforded Lithuania; better terms than we afforded Poland.

Mr. President, take all the payments which Rumania is to make during the 62-year period, and you will find they are equal to an annual payment of but 3.4 per cent upon the debt, and then, at the end of 62 years, the debt is canceled.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Nebraska yield to the Senator from Minnesota?

Mr. HOWELL. I yield.

Mr. SHIPSTEAD. Can the Senator from Nebraska give us any information as to whether or not the commissions of the brokers who arranged these loans for some of the foreign governments have been discounted somewhat on the same basis on which we are discounting the debts due us?

Mr. HOWELL. Of course, Mr. President, those engaged in the placing of international loans are in the business for profit and they do not, as a matter of course, sacrifice their profit.

Mr. SHIPSTEAD. Mr. President, I have, of course, reference to the brokers who got these loans from the Government of the United States for foreign governments. I do not mean brokers who sell bankers' loans.

Mr. HOWELL. I was not aware that any profit of that kind was made by individuals; and if the Senator from Minnesota is familiar with such an instance, I think it would be enlightening to have him state the facts to the Senate.

Mr. SHIPSTEAD. If the resolution which was introduced by the Senator from Missouri [Mr. REED] may come before the Senate and be adopted, I think some information can be presented upon that subject.

Mr. HOWELL. Mr. President, the ratification of this settlement with Rumania by the Senate is an outrage upon the American people. We ought to think of the American people as well as to think of the peoples of Europe. Here is a nation amply able to pay, with great natural resources, with a war debt as a result of the Great War relatively much smaller than the proportionate share of the debt of the United States, of many States of the Union. The proportionate share of one of our States exceeds that of Rumania by six or seven times. Maryland's proportionate share of our debt of \$19,300,000,000, on a population basis, is \$263,000,000. Maryland has a population of 1,450,000, while Rumania has a population of 17,500,000, and her interest-bearing debt contracted during the war approximates but \$267,000,000; yet we are canceling some \$47,000,000 of that debt as the result of the action taken by the Senate to-day.

SETTLEMENT OF CZECHOSLOVAKIAN INDEBTEDNESS

Mr. SMOOT. Mr. President, I now ask unanimous consent that the Senate proceed to the consideration of Order of Business No. 3, being the bill (H. R. 6777) to authorize the settlement of the indebtedness of the Czechoslovak Republic to the United States of America.

The VICE PRESIDENT. Is there objection?

Mr. REED of Missouri. Mr. President, I object.

Mr. SMOOT. Then I move that the Senate proceed to the consideration of House bill 6777.

Mr. REED of Missouri. I raise the question of the absence of a quorum.

The VICE PRESIDENT. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Deneen	Harris	McNary
Bayard	Dill	Harrison	Mayfield
Bingham	Edge	Heflin	Means
Blease	Edwards	Howell	Metcalf
Borah	Ernst	Johnson	Neely
Bratton	Ferris	Jones, N. Mex.	Norris
Broussard	Fess	Jones, Wash.	Nye
Bruce	Frazier	Kendrick	Oddie
Butler	George	King	Overman
Cameron	Gerry	La Follette	Pepper
Caraway	Gillett	Lenroot	Phelps
Copeland	Glass	McKellar	Pine
Couzens	Goff	McKinley	Ransdell
Curtis	Hale	McLean	Reed, Mo.
Dale	Harrell	McMaster	Robinson, Ark.

Sackett	Simmons	Stephens	Warren
Sheppard	Smoot	Swanson	Watson
Shipstead	Stanfield	Trammell	Willis
Shortridge	Steak	Wadsworth	

The VICE PRESIDENT. Seventy-five Senators having answered to their names, a quorum is present.

Mr. SMOOT. Mr. President, the Senator from Nebraska [Mr. HOWELL] advises me that he has some information to collect that he is not yet prepared to present on the Czechoslovakian debt settlement, and asks that it may go over until to-morrow. I have no objection at all to that course. Therefore I withdraw the motion I made to proceed to the consideration of the bill.

Mr. REED of Missouri. Mr. President, I think the request ought to be granted, because the Senator from Nebraska will, I take it, desire to present some figures; but I can not refrain from calling attention to the fact of how well trained Senators are and how useless it is to protest.

When the roll was being called a few minutes ago I heard two Senators upon coming in vote "yea" on a quorum call. They knew their business and what was expected of them so well that as they walked down the aisle, on a mere call for a quorum, they voted "yea."

Mr. NEELY. Mr. President, under the impression, of course, that they were voting to give away more of the American taxpayers' money to some European country.

DISTRICT GARBAGE-REDUCTION PLANT

The VICE PRESIDENT laid before the Senate the bill (H. R. 7286) to provide for the acquisition of property in Prince William County, Va., to be used by the District of Columbia for the reduction of garbage.

Mr. COPELAND. Mr. President, on the 27th of March the Senate passed a bill which was identical in spirit but slightly different in language from the bill which the House has just passed. I move that the votes by which we passed the Senate bill be reconsidered and that we pass in its place the bill just sent over from the House.

Mr. KING. What bill is it?

Mr. COPELAND. It is the bill relative to the garbage-disposal plant over in Prince William County, Va.

Mr. CURTIS. Mr. President, if the other bill has passed the Senate there is no need to recall it.

Mr. COPELAND. It is not identical.

The VICE PRESIDENT. Probably if this bill is passed it will be sufficient.

Mr. CURTIS. If it is not identical, then this bill should go to the committee.

Mr. COPELAND. It is identical in spirit.

The VICE PRESIDENT. Objection is made.

Mr. CURTIS. I ask that the bill go to the committee.

The VICE PRESIDENT. The bill will be referred to the Committee on the District of Columbia.

AMENDMENT OF WAR MINERALS RELIEF ACT

Mr. ODDIE. I ask unanimous consent for the immediate consideration of Senate bill 3641, to amend an act entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," approved March 2, 1919, as amended.

The VICE PRESIDENT. Is there objection to the immediate consideration of the bill?

Mr. BORAH. What is the bill, Mr. President?

Mr. ODDIE. It provides for an amendment to the war minerals relief act.

The VICE PRESIDENT. The Chair hears no objection.

The Senate, as in Committee of the Whole, proceeded to consider the bill, which had been reported from the Committee on Mines and Mining, with amendments.

Mr. ODDIE. I ask that the bill be read for action on the committee amendments.

The VICE PRESIDENT. The Secretary will read the bill.

The Chief Clerk proceeded to read the bill.

The amendments were, on page 2, line 22, after the word "expended," to insert "or obligations incurred"; on the same page, line 25, before the word "expenditures," to strike out the word "such"; and, on page 3, line 4, after the words "of the," to strike out "said minerals" and insert "necessaries," so as to make the bill read:

Be it enacted, etc., That so much of section 5 of the act entitled "An act to provide relief in cases of contracts connected with the prosecution of the war, and for other purposes," approved March 2, 1919, as amended, as reads "that the decision of the said Secretary shall be conclusive and final, subject to the limitations hereinafter provided," and so much of said section 5 as reads "that nothing in this section shall be construed to confer jurisdiction upon any court to entertain a suit against the United States," are hereby repealed.

SEC. 2. That section 2 of the said act is hereby made applicable to claims filed under section 5 of the said act in the same manner and in all respects similar to the application of said section 2 to section 1 of the said act: *Provided, however*, That in cases where final decisions of the Secretary of the Interior have been heretofore rendered said appeal to the Court of Claims shall be made within 90 days after the passage of this act; and in all cases where final decisions of the Secretary of the Interior have not heretofore been rendered, appeals from such decisions to the Court of Claims shall be made within 90 days after such decisions shall have been rendered by said Secretary: *And provided further*, That no acceptance or acquittance by any claimant of or for any settlement made heretofore by the said Secretary shall prevent or estop any appeal to the said Court of Claims, as herein provided for.

SEC. 3. That the Secretary of the Interior is hereby authorized and directed to include in his adjustments and payments in each claim all items of net loss, including moneys expended or obligations incurred for or in connection with the purchase or lease of property and money paid and due to be paid for interest on borrowed capital: *Provided, however*, That in every case in which expenditures were made or obligations incurred they shall be clearly shown to have been so made or incurred in good faith in connection with the production of or in preparation for the production of the necessities named in the said act, in compliance with governmental demands, request, solicitation, or appeal, as heretofore provided in the said act, as amended.

The amendments were agreed to.

Mr. ODDIE. I ask that the three amendments which I send to the desk, to be known as sections 3, 4, and 5, be considered.

The VICE PRESIDENT. The amendments will be stated.

Mr. KING. Mr. President, will the Senator yield?

Mr. ODDIE. Yes.

Mr. KING. I will ask the Senator if the amendment which he is about to offer is the one which was agreed upon by Mr. Mitchell and the one which was submitted to me by him?

Mr. ODDIE. It is.

Mr. KING. There has been no change in it?

Mr. ODDIE. No change.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. The Senator from Nevada proposes to strike out lines 19 to 25, both inclusive, on page 2, and lines 1 to 7, both inclusive, on page 3, and in lieu thereof to insert the following:

SEC. 3. That the Secretary of the Interior is hereby authorized and directed to reconsider his findings or awards and make an award or additional awards in each claim for such net losses as claimant may have incurred in good faith, and are in justice and equity entitled to, by reason of producing or preparing to produce the necessities named in said act as amended, in compliance with governmental request, demand, solicitation, or appeal, including moneys expended or obligations incurred for or in connection with the purchase or lease of property and money paid or due to be paid as interest for borrowed capital.

Mr. ODDIE. Mr. President, section 3 was redrafted in order to meet the views of the Secretary of the Interior, in that he felt that the language of section 3 as drawn made it mandatory upon him to pay all items of net loss whether the claimants were or were not in justice and equity entitled to payment for them. As amended section 3 supplies the required safeguards to restrict awards to net losses incurred in good faith and to which claimants are justly and equitably entitled under the provisions of the relief act as amended.

The VICE PRESIDENT. The question is upon agreeing to the amendment offered by the Senator from Nevada.

The amendment was agreed to.

The CHIEF CLERK. It is also proposed to insert a new section, to be known as section 4, and to read as follows:

SEC. 4. If in any claim duly filed under and pursuant to section 5 of "An act to provide relief in cases of contracts connected with the prosecution of the war," approved March 2, 1919, it shall appear that a claimant suffered net losses under said section 5 which were not included in said claim as filed, because not known at the time of filing said claim, such claimant may amend such claim within 30 days from and after the passage of this amendment by including such losses, and the Secretary of the Interior shall adjust the amended claim subject to all the conditions and limitations of this act as amended.

The amendment was agreed to.

The CHIEF CLERK. It is also proposed to add a new section, as follows:

SEC. 5. No claim under this act shall be subject to review or adjustment under section 236 of the Revised Statutes as amended.

The amendment was agreed to.

Mr. PHIPPS. I offer an amendment, which would be a new section, and ask for its consideration.

The VICE PRESIDENT. The amendment will be stated.

The CHIEF CLERK. It is proposed to add a new section, to be known as section 6, and to read as follows:

SEC. 6. That no agent, attorney, or other person engaged in preparing, presenting, or prosecuting any claim under the provisions of this act shall, directly or indirectly, contract for, demand, receive, or retain for such services a sum greater than \$1,000, or, in the case of awards under this act over \$10,000 in amount, a sum greater than 10 per cent of such award. Any person who shall violate any of the provisions of this section, or who shall wrongfully withhold from a claimant the whole or any part of an award, in excess of the sums due for services rendered, as set forth in this section, shall be deemed guilty of a misdemeanor, and upon conviction thereof shall, for each and every such offense, be fined not exceeding \$500 or be imprisoned at hard labor not exceeding two years, or both, in the discretion of the court.

Mr. KING. Mr. President, I move to strike out the words "at hard labor," and to substitute for "two years" "one year." I think for a misdemeanor the punishment is too severe.

Mr. PHIPPS. I have no objection to that proposed change. The amendment to the amendment was agreed to.

The amendment as amended was agreed to.

The bill was reported to the Senate as amended, and the amendments were concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

RELIEF OF VETERANS OF THE WORLD WAR

Mr. ASHURST. Mr. President, I supported the bill which has just been passed just as I have supported many other measures proposing to liquidate the World War.

Obviously, we are approaching a time when Members are thinking of adjournment; but I shall oppose an adjournment, and I hope to enlist the support of other Senators in opposing any adjournment unless and until legislation is passed granting the needed relief demanded by the veterans of the World War.

I commend the successful efforts of Members of this Congress to grant proper relief to the business interests of the country, and we are now about to consider the banking bill; but we should not consider an adjournment until we grant the needed legislation to the particular men who saved and preserved the business interests of the country.

There are two bills pending before the Senate Committee on Finance. One is Senate bill 3694, by the Senator from Pennsylvania [Mr. REED], to amend the World War veterans' act of 1924. The other is Senate bill 3695, by Mr. WATSON, to amend the World War adjusted compensation act. Companion bills—that is to say, relatively similar bills—are pending in another branch of Congress. I fear that a legislative "jam" may defeat this needed veterans' legislation. Therefore, from time to time, as opportunity offers, I shall urge that these bills be considered.

I now ask the chairman of the Committee on Finance when we may expect a favorable report on Senate bill 3694 and Senate bill 3695, introduced, respectively, by Senators REED of Pennsylvania and WATSON, of Indiana?

Mr. SMOOT. I expect to call a meeting of the Finance Committee just as soon as these debt settlement bills are out of the way. I know that the subcommittee having the veterans' legislation in charge will meet for the consideration of the relief measures. I do not think the Senate will adjourn until reports have been made from the committee, and the Senate will be asked to agree on whatever measures are reported from the committee.

Mr. ASHURST. In order that Senators may be advised and may know the importance of this veterans' legislation, I ask to have printed in the RECORD at this point reports on the so-called Green bill and the so-called Johnson bill, companion bills to the two Senate bills to which I have referred.

The VICE PRESIDENT. Is there objection?

There being no objection, the reports were ordered to be printed in the RECORD, as follows:

[H. Rept. No. 554, 69th Cong., 1st sess.]

AMENDMENTS TO THE WORLD WAR ADJUSTED COMPENSATION ACT

Mr. GREEN of Iowa, from the Committee on Ways and Means, submitted the following report to accompany H. R. 10277:

The Committee on Ways and Means, to whom was referred the bill (H. R. 10277) to amend the World War adjusted compensation act, having had the same under consideration, report it back to the House without amendment and recommend that the bill do pass.

After an experience of nearly two years under the World War adjusted compensation act it has been found that while in general the act has worked well and been of great benefit to the families and dependents of deceased veterans, there were a large number of cases where parties equally entitled to its benefits were excluded from

the provisions of the act. Among these cases are those where an application for the adjusted compensation credit had been executed by the veteran but not filed before his death. There were also numerous cases where dependency, in fact, existed but, under the circumstances, was difficult to prove in conformity with the language of the original act. There were other cases where the beneficiaries found that the amount actually paid them had been greatly reduced by deductions on account of charges made against the soldier, which in some cases included even items for loss of equipment. Controversies also arose between the Veterans' Bureau and the office of the Comptroller General, which resulted in decisions overruling the Veterans' Bureau in matters that affected the amount to be received by beneficiaries under the act. These decisions were made, as a rule, upon purely technical features, and thereby many persons who would have come within the original purpose of the act as intended by Congress either received much less than was contemplated when it was adopted, or, in some cases, nothing at all.

Without going into detail, it may be said that the main purpose of this bill is to equalize the benefits of the act among the dependents of the veterans and to prevent the disallowance or reduction of claims through mere technicalities. It was not found possible to provide for every isolated case, but it is believed that practically all of those in which substantial injustice exists have been cared for. Some other features have been included for the protection of veterans against loan sharks and the public generally against the issuance of forged certificates. Further on in the report a detailed explanation is given of the changes made in the law by the bill.

The committee applied to the Veterans' Bureau for an estimate as to the cost of the changes made by this measure. The bureau made estimates of the cost of sections 1, 3, 5, and 11, as shown by the table below:

Immediate:	
Sec. 1	\$249,526.00
Sec. 3	108,386.21
Sec. 5	8,562.00
Sec. 11	1,996,920.00
Total	2,363,394.21
Future	635,580.00
Grand total	2,998,974.21

But it felt unable to furnish any definite estimate as to the cost of sections 7 and 8, being the provisions of the bill making changes as to the proof of dependency. Great difficulty is found in even making any kind of an estimate as to the cost of these provisions which lessened the proof required in such cases, but after considering all of the data presented to the committee by the bureau it would appear that the ultimate cost of these provisions will be somewhere from \$3,000,000 to \$9,000,000. This sum will be spread over about two and one-half years, but much of the greater portion of it will be paid in this and the ensuing fiscal year, or, in other words, will immediately become due and will be payable as soon as the account can be determined and checked by the proper officials. The remaining provisions of the bill make no change in expenditures, unless possibly to make some slight reductions thereof in an administrative way. Under the best information now obtainable, an outside figure of the cost of the bill, both immediate and future, will be \$12,000,000, and it may be much less.

APPLICATION BY THE VETERAN

The Comptroller General has ruled that where a veteran died after making an application but before it was filed the application is not a valid one. Section 302 of the World War adjusted compensation act has been rewritten by section 1 of the bill to change this ruling so that where a veteran died after making application it may be filed by anyone. The section, as rewritten, also provides that where the Secretary of War or Navy has in his possession a document, no matter how informal, which is found by such Secretary to disclose an intention to claim the benefits of the act on behalf of the veteran and to bear the bona fide signature of the applicant, such document shall be considered a valid application. Subdivision (c) of such section provides that if a veteran has died and payments are being made to his dependents because no application on behalf of the veteran has been submitted to the department, and then a valid application is filed, the payments to dependents shall immediately cease and payments on account of the application of the veteran shall be made to the persons entitled thereto after deducting any amounts already paid to the dependents.

To remove any doubt as to the finality of the determination of the Secretary of War or the Secretary of the Navy concerning the validity of an application or the amount of the adjusted service credit, section 303 of the act has been amended by section 2 of the bill (1) by inserting a requirement that the certificate transmitted by either Secretary to the director shall contain a statement that a valid application has been received, and (2) by removing the requirement in the present law that the facts of record used in preparing the certificate be included in the certificate.

DEDUCTION OF INDEBTEDNESS OF VETERAN TO THE UNITED STATES

Under the present law the Comptroller General has ruled that if the veteran is indebted to the United States, deduction of the amount of such debt shall be made from the adjusted service credit of the veteran.

Section 3 of the bill amends section 308 of the present law so as to prohibit such deductions and makes the amendment retroactive to the time of the original enactment of the act.

If no benefits have been extended in such cases before the passage of the amendatory act, no problem arises. When the case comes up for adjudication the credit will be computed in accordance with the law as amended without deduction for debts, and payment made in accordance with law.

If, however, any payments have already been made, the problem is presented as to how the amendment shall be given effect. Subdivisions (b), (c), (d), and (e) of section 3 of the bill make provision for such cases.

Subdivision (c) provides that if a veteran is alive at the time of the enactment of the amendatory act and the benefits of the act have already been extended to him, then the amount deducted on account of the debt shall be treated as if it were a separate adjusted service credit and the benefits of the act extended in accordance with its terms. For example: If the amount of the debt deduction is \$49, the \$49 will be paid in a lump sum. If the amount of the debt deduction is \$60, an adjusted service certificate will be issued of a face value computed on the basis of an adjusted service credit of \$60.

Subdivisions (d) and (e) cover the case where the veteran has died before the enactment of the act and where payments have already been begun or have been completed before the enactment of the amendatory act. For example: If the adjusted service credit after deduction for debt was \$100 and the debt deduction was \$100, an adjusted service certificate of approximately \$300 (the face value of a certificate computed on the basis of the debt deduction) is to be paid to the beneficiary or estate entitled thereto, in addition to the payment of the certificate computed on the basis of the adjusted service credit after making the debt deduction.

FINALITY OF DECISION

Section 4 has for its purpose the conferring on the Secretary of War, the Secretary of the Navy, and the Director of the Veterans' Bureau of final and conclusive authority in all matters arising under their respective jurisdictions. To this end the Comptroller General of the United States is directed to allow credit in the accounts of the disbursing officers of the United States Veterans' Bureau for all payments authorized by the director heretofore or hereafter made for moneys appropriated for carrying out the provisions of the World War adjusted compensation act, as amended, except those covering administrative expense such as salaries, purchases, and travel allowances as covered in section 701 of the World War adjusted compensation act.

The effect of this amendment, while it will not necessitate the removal of the present auditing system maintained by the Comptroller General in the bureau, will be to prohibit the Comptroller General or his agents from disallowing cases upon disagreement with the director in matters of law or fact involved in the interpretation or application of the act, but will not interfere with the right of the Comptroller General to disallow expenditures by disbursing officers not in conformity with instructions of the director. It will also prohibit suits against the Government under such act except as such suits are now allowable in connection with compensation payable under the World War veterans' act, 1924, as amended.

Section 305 of the present law confers upon the Secretary of War and the Secretary of the Navy authority to determine the individuals who are veterans and as to each veteran the amount of his adjusted service credit, and provides that their findings shall not be subject to review by the General Accounting Office. This section is amended by section 4 of the bill so as to leave out the statement as to the conclusiveness of their findings in this respect, such statement being unnecessary in view of the general language of section 310 as proposed by section 4 of the bill.

VETERANS OVER 75 YEARS OF AGE

Section 501 of the law is amended by section 5 of the bill by adding a provision to the effect that veterans who are over 75 years of age at the time of making application may be paid in cash. This provision is necessary because under the American Experience Table of Mortality, which the bureau is required to use, it is impossible to figure an adjusted service certificate on the same basis as 20-year endowment insurance for the reason that the table expires at age 96.

LOAN SHARKS

The attention of the committee has been called to instances where loan sharks have in their possession in some cases large numbers of certificates which they had procured by loaning money to veterans, but these sharks can not be prosecuted because the law imposes no penalty for such practices. Instances also have been cited where a person is named as a beneficiary by the veteran in consideration for making a loan to him. To discourage such practices, section 503

of the act has been amended by section 6 of the bill by making void the naming of any person as a beneficiary in consideration for a loan having been made to the veteran and by making it a misdemeanor for any person to accept assignment of a certificate or to receive a certificate as security for a loan or to loan money to veteran in consideration of the naming by the veteran of any person as beneficiary. This section necessarily does not apply in the case of loans made by banks in conformity with section 502 of the act.

DEPENDENTS

A few clerical changes have been made by section 7 of the bill in section 601 of the act in order to conform to the revised provisions concerning dependency found in section 602.

Section 602 of the act has been entirely rewritten in section 8 of the bill to restate the policy concerning dependency. Any language which might tend to indicate that a showing of dependency upon the veteran is required has been eliminated.

The requirement in respect of dependency of the widow is not materially changed. If she has remarried before making application, or if at the time of the death of the veteran she was living apart from him willfully, she is not entitled to the benefits. Otherwise, upon the showing of marital cohabitation, she is presumed to have been dependent.

A child under 18 at the time of the death of the veteran, or over 18 and before January 2, 1928, incapable of self-support by reason of mental or physical defect, is entitled to the benefits.

A mother or father is entitled to be considered dependent upon a showing of dependency upon anyone before January 2, 1928, and is presumed to be dependent if over 60 years of age before January 2, 1928. A mother is also presumed to be dependent if unmarried. The requirement in the present law of a statement under oath of the dependency in the case of the mother and father has been eliminated.

APPLICATION BY DEPENDENTS

Section 9 of the bill amends section 605 of the act in order to have it correspond in terminology and legal effect with the changes in respect of applications made in section 303.

DEFINITION OF WIDOW

Section 10 of the bill adds a new definition of "widow" to include widower, and is made to correspond with the clerical changes made by section 7.

DEDUCTION OF FIRST 60 DAYS OF SERVICE

Section 1406 of the revenue act of 1918 did not permit payment of the \$60 bonus to persons who died in the service. Inasmuch as under the World War adjusted compensation act a deduction of 60 days was made in the computation of the adjusted service credit of all veterans, including those who died in the service, this latter class was consequently discriminated against, and section 11 of the bill removes the discrimination by providing for the payment of \$60 in cash to the dependents of any such veteran.

ACCRUED RIGHTS

Because of amendments in the bill changing the basis for determining dependency in many cases, and because of certain retroactive provisions of the bill, section 12 has been added in order to validate all payments made and all applications received under the act and to assure any dependent now receiving the benefits of the act that he will continue to receive such benefits unless a person entitled to a priority in preference can establish dependency. If such person can establish dependency, he receives only the remaining benefits extended by the act.

COUNTERFEITING CERTIFICATES

Section 13 of the bill adds a new penal section to the act to cover forging, counterfeiting, etc., of adjusted service certificates and provides for the use of the Secret Service Division of the Treasury Department to enforce the provisions of this section.

LOST CERTIFICATES

Section 14 of the bill adds a new section to the act to provide for the issuance under bond of a duplicate adjusted service certificate where the director determines that such certificate, without bad faith on the part of the person entitled to payment thereon, has been lost, destroyed, or so defaced as to impair its value to the rightful holder.

[House Report No. 515, Sixty-ninth Congress, first session]

TO AMEND THE WORLD WAR VETERANS' ACT

Mr. JOHNSON of South Dakota, from the Committee on World War Veterans' Legislation, submitted the following report (to accompany H. R. 10240):

The Committee on World War Veterans' Legislation, to whom was referred the bill (H. R. 10240) to amend the World War veterans' act, 1924, having considered the same, report thereon with recommendation that it be passed.

The bill, as now presented, proposes several substantial changes in the law to which the attention of the House of Representatives should be specifically directed. They are:

1. Section 1 of the bill amends section 4 by excepting from its provisions to the effect that all employees shall be subject to the civil service laws and regulations, those persons to be appointed in the United States Veterans' Bureau medical service. This amendment is necessary in order that the permanent medical organization authorized by section 2 of this bill may be accomplished.

2. Section 2 of the bill amends section 10 of the World War veterans' act by authorizing the director to create in the United States Veterans' Bureau a permanent medical organization to be known as the United States Veterans' Bureau medical service. This service is to consist of physicians, dentists, and nurses. The pay and allowances of such persons are practically the same as that provided for officers and nurses in the Medical and Nurse Corps of the Army. The establishment of such a service in the bureau will provide a medical organization which, it has long been felt, is vital to the bureau in administering the benefits of medical, hospital, surgical, and dental treatment, provided by the laws the bureau is administering.

3. Section 2 of the bill further amends section 10 by authorizing the director to hospitalize women veterans entitled to hospitalization under the World War veterans' act in private hospitals. Your committee felt that this was an economic measure for the reason that the number of women entitled to and who require the same is so limited and the diseases with which they are suffering so varied as to make it impracticable to maintain separate institutions for them. Likewise it has been found unsatisfactory to hospitalize women in those hospitals especially adapted and equipped for men patients. The Veterans' Bureau has established a few wards for women in certain of their hospitals. However, it is necessary in most instances for women to travel great distances to reach these few institutions, and many times the same are not equipped to handle the particular disease with which the woman is suffering.

4. Section 2 of the bill also amends section 10 by granting to the director authority to improve, alter, or extend existing facilities, without the approval of the President, where such alteration, improvement, or extension does not materially increase the bed capacity for patients in any hospital. The director under the present law first appears before the President and the Director of the Budget each year in justification of his recommendations that certain alterations, improvements, or extensions are necessary. After approval of the same he then appears before the Appropriations Committees of the House and Senate explaining to such committees the need of the money requested to accomplish these projects. The projects contemplated are clearly indicated in the director's recommendations, both to the President and the congressional committees. It would seem that in view of these facts it is not only unnecessary but administratively unsound to require presidential approval for every minor alteration or repair to be made, appropriations for which have been authorized.

5. Section 2 of the bill adds an additional amendment to section 10 of the act by authorizing the President, in his discretion, to transfer to the jurisdiction of the United States Veterans' Bureau the tuberculosis hospital facilities of the Battle Mountain Sanitarium and the Northwestern Branch of the National Home for Disabled Volunteer Soldiers, and to transfer to the National Home for Disabled Volunteer Soldiers any facilities of the United States Veterans' Bureau not needed for hospital purposes but are suitable for domiciliary purposes. It is believed that the authority to make such transfers is not only in the interest of the veterans of the World War but of the veterans of other wars. At the present time there is needed for hospital purposes by the Veterans' Bureau these additional facilities which your committee believes can be spared at least temporarily by the National Home for Disabled Volunteer Soldiers. No doubt, in time to come, certain facilities of the Veterans' Bureau now needed for hospital purposes will no longer be needed for such purposes and might well be transferred to the jurisdiction of the National Home for Disabled Volunteer Soldiers for domiciliary purposes.

6. Section 3 of the bill amends section 26 of the World War veterans' act by providing that accrued amounts of compensation, insurance, and maintenance and support allowance, which have become payable but have not been paid prior to the death of the person entitled to receive the same, may be paid, instead of to the personal representative as now required by the law, where the combined amounts payable are \$1,000 or less, to such person or persons as would, under the laws of the State of residence of the decedent, be entitled to his personal property in case of intestacy. This amendment is in the interest of economic administration of small estates so as to guarantee to the persons entitled to receive the money payment of the same without cost.

7. Section 4 of the bill amends section 28 of the World War veterans' act, which relates to the recovery of payments erroneously made, by providing that when a recovery of a payment made from the United States Government life insurance fund is waived the fund shall be reimbursed to the extent of the recovery waived. These waivers are in order in those cases where the overpayment was without fault of the beneficiary and where it would be against equity or good conscience or would defeat the purposes of the benefits authorized to recover the same. While your committee felt that such recovery should

not be made in this deserving class of cases, nevertheless where the Government life insurance fund, which is a trust fund for the benefit of converted insurance policyholders, is involved, it should not be depleted by the amount waived under this liberal legislation enacted by Congress.

8. Section 5 of the bill adds a new section to Title I of the World War veterans' act, as amended, to be known as section 31, and to provide for reimbursement of beneficiaries hospitalized in Veterans' Bureau hospitals for losses sustained through the destruction of personal effects through fire in bureau hospitals. On several occasions in the past, notably at Gulfport, Miss., and Perryville, Md., fires have occurred in bureau hospitals and personal effects of patients placed in storerooms for safe-keeping during hospitalization have been destroyed. Where the patients themselves carried no insurance on their property the loss was complete and there was no way in which they could be reimbursed by the Government.

9. Section 6 adds a new section to Title I of the World War veterans' act, as amended, to be known as section 33. The provisions of this amendment authorize the director to maintain courses of instruction for the professional personnel of the bureau and to detail employees to attend the same, and also authorize the director to detail professional personnel to attend courses conducted by other than bureau agencies and to defray the expenses incident to such detail, including transportation. As science advances it becomes necessary for persons in professional pursuits who have long since severed their connections with institutions of research, schools, and colleges to have some contact with institutions of learning whereby they may keep in touch with the developments of their particular branch of work. It is only by the authority conferred upon the director by this section that the professional personnel of the Veterans' Bureau may keep in touch with the advances of science and thus enable the bureau to carry on at the acme of efficiency the function of rehabilitating disabled ex-service men.

10. Section 7 of the bill amends section 200, first, by including among those persons entitled to the benefits of compensation, hospitalization, and medical care women assigned to the Medical Corps of the United States Army who served in base hospitals overseas. The number of women who will be brought in under this amendment is very few. The services they performed with the American Expeditionary Forces were similar to the services of the enlisted personnel at the base hospitals. Their rate of pay was approximately the same as that of the noncommissioned officers, and they were under military jurisdiction and subject to military discipline. The committee believes that, in view of the type of service rendered by this class of women and the fact that some of them have been disabled while engaged in such services, they should be reimbursed in the same manner as the men with whom they served.

11. This section of the bill further amends section 200 by providing that certain specific diseases shall not be held to be the result of willful misconduct because of the nature of the diseases or the manner of their acquirement. Considerable difficulty has arisen in connection with the adjudication of certain claims because of the nature of the diseases with which the claimants are affected. It seems that, in the course of events, presumptions of misconduct have been raised by the very existence of these diseases notwithstanding the fact that in many instances they were innocently acquired as far as the claimant himself is concerned. It is necessary for the claimants in these cases to prove innocent origin. The impossibility of securing such proof can readily be seen, and your committee was of the opinion that these men should not be penalized for their inability to secure definite proof of the absence of misconduct on their part.

12. It further amends section 201, subdivision (1), by providing that the Director of the Veterans' Bureau may allow funeral expenses in those cases in which the veteran dies leaving no assets which in his judgment should be applied to meet the expenses of burial and funeral and the transportation of the body. Heretofore, before payment could be made it has been necessary to show that the veteran left insufficient assets to meet the expense of his burial and funeral, and even then there was payable only the difference between any assets that might have been left and the sum of \$100. The committee feels that in cases where the veteran leaves but a small amount of assets, his widow and children should not be required to exhaust this small amount by applying it in payment of funeral expenses, but that the Director of the Veterans' Bureau should be allowed in his discretion to pay the full amount where the assets of the estate are small notwithstanding that they might be sufficient to pay for a \$100 burial. The finding of the director in these cases is made conclusive on the General Accounting Office.

13. Section 9 of this bill amends section 202, first, by providing in arrested cases of tuberculosis a minimum rate of compensation of \$35 per month for a period of five years. In view of the residual latent disability in cases of tuberculosis and the danger of reactivation, your committee was of the opinion that these men should be allowed a greater amount of compensation than the average case during the period immediately following the time their disability reaches the condition characterized as "arrested." It is during this time that the danger of reactivation is most imminent, and the committee thought

that by allowing these men a sufficient amount to permit them to gradually resume their occupations without stress or strain that in the end the purpose of this legislation would be more thoroughly accomplished and an actual saving result to the Government. It is not proposed to make this proviso retroactive.

14. The section further amends section 202 by providing that organic loss of speech shall be held to be permanent and total disability. This amendment covers the cases where shrapnel and similar wounds have completely destroyed the power of speech and in most instances left severe facial disfigurement. The rate of compensation provided for this class is \$150 per month. Your committee was of the opinion that this was small compensation for the terrible loss suffered by these individuals.

15. The next amendment has only for its purpose the clarification of the language now in the law and does not in any way affect the law as now written and construed.

16. This section of the bill adds a new proviso by which, where total disability has existed for a period of 12 consecutive months, the claimant shall be rated permanently and totally disabled thereafter so long as total disability continues. This amendment is in line with modern insurance practice of recognizing permanent and total disability as existing where total disability continues for a specified period of time. In some instances insurance companies provide in their insurance contracts that permanent total disability shall be presumed to exist wherever total disability has existed continuously for a period of three months. Your committee felt that this 12-month proviso was eminently fair.

17. The next amendment is in connection with those cases where compensation for mentally incompetent persons without dependents has been reduced. Provision is first made for an increase from \$20 to \$30 per month. The amount now allowed by the statute has been found to be manifestly inadequate for the furnishing to incompetent patients of clothing and the other necessities of life which are not furnished by the hospitals. Your committee felt that by allowing this \$10 per month additional this need would be covered.

18. Provision is also made that upon recovery of such person of his reason, such additional sum shall be paid to him as will equal the total sum by which his compensation has been reduced. The present law provides that upon recovery of reason the disabled person shall be paid an additional amount of \$60 per month for each month his compensation was reduced. It was felt that such a veteran was entitled to compensation in an amount equal to the difference between what he would have drawn if his compensation had not been reduced by the provisions of said section rather than the flat rate of \$60 additional.

19. The next amendment strikes from the World War veterans' act the provision authorizing reduction of compensation to \$40 a month of those veterans maintained by the bureau in institutions, and who are without dependents, after June 30, 1927. The committee felt that the fact that a man was hospitalized by the Government should not work a penalty by causing a reduction in the amount of compensation he would receive. It was also felt that this section would cause many men in need of hospitalization to refuse the same because of the reduction in compensation incident thereto.

20. The next amendment is the elimination of the so-called misconduct clause from the provision for medical care and treatment for those veterans disabled in the service between April 6, 1917, and July 2, 1921, irrespective of compensability.

21. The next amendment provides out-patient treatment for veterans of any war suffering from disability not incurred in the service. The present law grants the right of hospitalization to veterans under the same circumstances. However, there are many instances where veterans could be treated without the necessity of sending them to hospitals, but the present law does not provide for treatment except in hospitals. Your committee felt that by this amendment providing for out-patient treatment, hospitalization will be somewhat curtailed.

22. The same amendment also eliminates the present restrictive date of "1897," making the provision applicable to veterans of all wars without respect to the time of their occurrence. Inasmuch as the Government offers hospitalization, either through the Veterans' Bureau or the National Home for Disabled Volunteer Soldiers, to veterans of any and all wars, it was felt that it would be a saving to the Government to permit hospitalization of all veterans in Veterans' Bureau hospitals. In many instances the Veterans' Bureau hospital is much more conveniently located than the hospitals of the soldiers' homes.

23. The amendment also includes within the hospitalization provisions Spanish-American War nurses, contract surgeons, and contract dentists. The committee felt that the services performed by these three classes of personnel during the Spanish-American War warrant some provision for their care and treatment by the Federal Government.

24. The last amendment to section 202 (10) provides that where veterans hospitalized in Veterans' Bureau hospitals are financially unable to supply themselves with clothing the director may furnish

such clothing as he may deem necessary. In many instances veterans enter Government hospitals in the summer time with no clothing other than that which they are wearing. At the time of their discharge the seasons have changed and their clothing is entirely inadequate to their needs, particularly in those cases where the hospital is located in a different section of the country than the one from which the man was hospitalized. An instance is known where a man was discharged from a Veterans' Bureau hospital in midwinter in a Palm Beach suit and a straw hat.

25. The section further amends the act by providing for hospitalization in other than Government hospitals in the Territories of the United States. The purpose of this amendment is to provide for hospitalization in contract institutions in the Territory of Alaska, from which it is now necessary to transport veterans entitled to hospitalization under the existing law to the United States in order to place them in Government institutions.

26. It further amends the law by providing that prosthetic appliances will be furnished to veterans entitled to the benefits of this particular subdivision if they are unable to supply themselves with the same. At the present time the Veterans' Bureau can furnish these men with such appliances while in hospitals, but after they leave the hospital, should it become necessary to renew or replace them, the bureau is unable to do so unless it is necessary to rehospitalize them.

27. Section 10 of the bill amends section 203 by providing an allowance of \$2.65 per day to men undergoing observation or examination by the bureau. This allowance is to be in lieu of reimbursement for loss of wages now authorized by law. In many instances it has been found that farmers, commission merchants, etc., have been unable to secure reimbursement because no actual loss of wages can be shown. The committee felt that all men should be placed on the same footing. Consequently this amendment is recommended.

28. Sections 11 and 12 of the bill repeal sections 206 and 209 of the act, which now contain the time limitation on filing claims and furnishing proof of service connection for disabilities. It was not felt by your committee that a man disabled in the military service should be penalized for delaying the filing of his claim. If he can not show proof of service origin, that is an administrative matter which can be passed upon by the director. If he can show service origin of his disability, either by records in the military service or otherwise, he certainly should not be penalized for his delay.

29. Section 13 of the bill amends section 212 of the World War veterans' act as amended, first, by making the provision with reference to active service and retirement pay retroactive to April 6, 1917. This amendment is for the purpose of permitting payment of compensation from date of release to inactive duty in those cases where men in the Naval Reserve, who, although entitled to approximately \$1 a month by reason of being in the reserve, have been denied compensation because they were in receipt of service pay. A provision having a similar purpose was inserted in the June 7, 1924, law, but as it was not made retroactive it did not accomplish what was sought to be done.

30. This section further amends the law by providing that the scale of disability ratings recently adopted shall be applied to those persons who receive compensation for injuries incurred prior to April 6, 1917, or subsequent to July 2, 1921, under the war risk insurance act, as amended, where an accrued right exists. At the present time it is necessary for the bureau to maintain two schedules—one for those men entitled under the World War veterans' act and one for those men entitled under the war risk insurance act. The use of two schedules for rating purposes was thought unwise both by the bureau and your committee. This amendment is recommended to take effect only from the date of the passage of this amendatory act.

31. Section 14 amends section 300 of the act by granting a period of one year for men entering the service in which to apply for insurance. In many instances it is known that men are not thoroughly familiarized with their right to take insurance before the expiration of the 120-day period. It was felt by your committee that this additional period should be allowed.

32. This section of the bill further amends section 300 by validating applications made by members of the reserve forces while in attendance at military or naval training camps. Many of these men, upon application, were granted insurance and are now paying premiums. It is impossible for the bureau to determine just which of the applications received were made by reservists on temporary detail. Under the ruling of the Comptroller General they have been held not entitled to apply. This amendment is for the purpose of guaranteeing to these men who have applied the insurance which has heretofore been granted.

33. The next amendment to section 300 is a proviso granting to members of the Coast Guard the same rights with reference to Government insurance as are now extended to the Army and Navy.

34. Section 15 of the bill extends the time for continuing term insurance to July 2, 1929. This is an extension of three years. Your committee felt that this extension of time should be granted in view of the fact that thousands of men have as yet not been able to successfully readjust themselves to postwar conditions sufficiently to permit them to pay the higher rates for converted insurance.

35. Section 301 is further amended to permit the bureau, where the monthly payment is less than \$5, to allow the payments to accumulate without interest and be disbursed annually. The purpose of this amendment is obvious—to avoid a multiplicity of checks for small amounts.

36. Section 16 of the bill amends section 303 of the act to preserve the rights of certain minors and incompetent persons who, although entitled to payments of insurance on March 4, 1925 (the date of the amendment of section 303 to its present form), had been made no award. The committee felt that it was not the intention of the amendment of March 4, 1925, to divest these beneficiaries of their right to insurance simply because there was no running award as of the date of the amendment.

37. Section 17 amends section 304 by extending the time for reinstatement of insurance in the same manner as the extension of time for conversion, to wit, until July 2, 1929. It also provides that where a veteran is unable to pay all premiums in arrears with interest, the amount of such premiums and interest may be established as an indebtedness against the policy and carried as a lien thereon where reinstatement is accomplished within one year of the passage of the amendatory act.

38. Section 18 amends section 305 by providing that insurance revived under the provisions of that section shall not be paid to any persons other than the widow, child, children, dependent mother or father, in the order named. This section is one which revives insurance by the use of uncollected compensation. It is a most liberal provision of the law and it was felt that it should not be permitted to revive insurance where no immediate members of the insured's family were alive to take the same.

39. Section 19 of the bill adds a new section to be known as section 308. It provides that where any person remits a premium in the month immediately following the grace period and is in the required state of health to reinstate his insurance at the time of his remittance, the insurance shall be held to be in force at the date of his death or permanent and total disability. This is to take care of the class of cases where the insured attempted to continue his insurance but death occurred before the designated requirements for reinstatement could be accomplished.

40. Section 20 of the bill adds a new section to the law to be known as section 309. This section permits revival of insurance in cases where the \$60 bonus provided by the act of February 24, 1919, was not paid and which if applied to the payment of premiums when due would have equalled or exceeded the same. In view of the fact that this \$60 bonus was not paid to the estate of the individuals who died, or to their heirs, it was felt that it should be allowed to apply to payment of insurance premiums if it was sufficient to cover those due at the time of lapse.

41. Section 21 amends section 406 by extending the time of training for those men who are now in training. The extension of time for those in placement training is to January 1, 1927, and for those in institutional training two years after the passage of this act. The committee felt that as these men had embarked on courses of education prescribed for them they should be permitted to finish the same notwithstanding that the general provisions for training provided for termination June 30, 1926.

42. Section 22 of the bill adds a new section to be known as section 506. This amendment provides that the penal provisions of the World War veterans' act shall be applicable to the Philippine Islands. At present the penal provisions of the act are not applicable to the islands named, and it was felt by your committee that in view of the large number of claimants residing there, persons attempting to secure the benefits of the statute should be subject thereto for falsification of records, perjury, etc.

Attached hereto is a letter from Gen. Frank T. Hines, Director United States Veterans' Bureau, estimating the probable cost of the bill.

UNITED STATES VETERANS' BUREAU,
Washington, March 10, 1926.

HON. ROYAL C. JOHNSON,
Chairman House Committee on
World War Veterans' Legislation,
House of Representatives, Washington, D. C.

MY DEAR MR. JOHNSON: There is submitted herewith for your information annual estimates of the probable cost of the amendments to the World War veterans' act of 1924, as proposed in H. R. 4474 for the next three years. In considering these estimated costs it is to be borne in mind that in several items the actual cost would depend upon the method of administration, and that in certain other items the actual increased cost is problematical, although the figures shown represent the best possible estimate at this time based upon existing records.

	Cost during—				Cost during—		
	First year	Second year	Third year		First year	Second year	Third year
Sec. 2 amends sec. 10. Based upon the present strength of the Veterans' Bureau personnel of doctors, dentists, and nurses, the estimated net annual cost of a permanent medical service in the U. S. Veterans' Bureau is.....	\$403,500	\$403,500	\$603,500				
Sec. 2 further amending sec. 10, authorizing the director to hospitalize women veterans entitled to hospitalization under the provisions of the act in other than Government hospitals, will cost approximately.....	32,000	32,000	32,000				
This estimate is based upon the percent of men who are hospitalized under sec. 202 (10) to the total male military population, and this percent is applied to total women veterans.							
Sec. 5 adds sec. 31, which provides for the reimbursement of beneficiaries for any loss of personal effects by fire while hospitalized in Veterans' Bureau hospitals. This cost will not be material, since the fire hazard in veterans' hospitals has been reduced to a minimum, although the retroactive features of this section will apply to 1 case where the known loss was approximately.....	7,000						
Sec. 6, providing that a new section be added to be known as sec. 33, allows the director at his discretion to provide courses of instruction for professional personnel of the bureau. It is estimated that the cost of this provision will approximate.....	20,000	20,000	20,000				
This estimate is based upon the experience of the Army in providing instruction in professional courses conducted by other than bureau agencies.					\$7,119,600	\$7,749,600	\$8,799,000
Sec. 7 amends sec. 200 to provide that women assigned to the Medical Corps of the United States who served in base hospitals overseas can receive all benefits of the World War veterans' act. This cost will not be material if the application of the amendment is limited to nurses' aids, dietitians, technicians, and secretaries assigned to base hospitals overseas, in that these groups totaled but 500. Based upon the percentage of total military strength of the Army which is receiving compensation, there results but 25 potential cases to be compensated, which, if compensated at the average rate, would result in an increased annual cost approximately.....	11,300	11,300	11,300		1,761,396	1,761,396	1,761,356
Sec. 7 further provides that sec. 200 be amended so that no person shall be denied compensation by reason of diseases resulting from willful misconduct. It is estimated that there are approximately 5,100 misconduct cases disallowed and 300 cases on which compensation payments have been discontinued. Payments on these cases approximate \$39 a month, resulting in an annual cost of.....	2,585,700	2,585,700	2,585,700				
This estimate does not consider the payment of retroactive compensation nor the cost of increased compensation in those cases where compensation is being paid for service-connected disability, but where the claimant is suffering from a disability resulting from misconduct for which increased compensation will now be paid.					612,000	612,000	612,000
Sec. 8 amends sec. 201 to provide for the payment of burial expenses for veterans of all wars who die without leaving sufficient assets which in the judgment of the director should be applied to meet the expenses of burial and transportation. It is believed that the regulations issued by the bureau with reference to the payment of burial expenses will in the end result in few more burial awards than are being paid under the existing law. Therefore, it is estimated that the proposed change will have no appreciable effect on the cost of burials as such. It is further believed that there will be a material saving in administrative expenses. During the fiscal year 1924 the cost of burials was \$448,578, and the cost of shipment of bodies incident thereto was \$45,755. The few new cases which might result would probably be offset by the savings in administrative cost.						4,184,400	4,184,400
Sec. 9 amends sec. 202 to provide that any ex-service person shown to have had a tuberculous disease of a compensable degree, and who in the judgment of the director has reached a condition of complete arrest, shall receive compensation of not less than \$35 a month for a period of five years. There are approximately 15,417 tuberculosis cases							
rated at less than 50 per cent, and these for the purpose of this estimate are assumed to be arrested, in accordance with rating procedure to date. Payments are now being made on these cases at the rate of \$242,919 a month. If these cases were rated at 50 per cent permanent partial, the monthly payment would be \$539,595, or a monthly increase of \$296,676. The annual increase on this basis would be \$3,560,112. There are approximately 7,975 cases on which payments have in the past been made, and which are now rated "less than 10 per cent." To pay these cases \$35 a month would cost \$3,349,500 a year, and the total annual cost for the payment of \$35 a month for tuberculosis cases in the state of complete arrest would approximate \$3,909,612. For these cases alone this cost in five years would be approximately \$34,648,060. In addition to these cases, the experience of the bureau has shown that approximately 1,000 tuberculosis cases are terminated "less than 10 per cent" each year. The cost of paying these cases which would normally be rated at less than 10 per cent during the next five years will be approximately \$3,360,000, which must be added to the cost of \$34,648,060, making a total of approximately \$37,908,060. Upon the above basis the cost for the first three years for all cases affected would approximate.....							
Sec. 9 further amends sec. 202 to provide for the payment of permanent total compensation in all cases where temporary total compensation has continued for a period of 12 consecutive months. A study of 1,600 temporary total cases indicates that 66½ per cent have had a temporary total rating for a period of 1 year or more. Assuming that these 1,600 cases are representative, it is estimated that 16,382 cases now receiving temporary total compensation will be rated on a permanent total basis, thus increasing the average payment from \$86.66 to \$95.62, there would be a monthly increase for each of these cases of \$8.96, resulting in an annual cost of.....							
This does not take into consideration the increased cost of paying insurance awards in these cases which would be rated permanent total.							
Sec. 9 further amends sec. 202 to provide that when a patient has been hospitalized for a period of 6 months, and shall be deemed by the director to be insane, compensation shall be paid at the rate of \$90 a month. At present payments are being made at the rate of \$20 a month, and very few of these insane patients recover, so that the \$10 additional which it is proposed by the amendment to pay will be an added cost in each case. At present there are approximately 5,100 cases on which compensation has been reduced to \$20 a month. To increase this compensation at the rate of \$10 a month would cost.....							
Sec. 9 further amends sec. 202 to provide that the monthly compensation of veterans hospitalized after June, 1927, shall not be reduced to \$40 a month. This will involve no immediate cost, although it was expected that there would be a considerable saving due to this reduction for unmarried men who are hospitalized after June 30, 1927. It is estimated that there will be approximately 12,074 men in hospitals who have no dependents. Deducting from this number the 5,100 insane veterans whose compensation has been reduced to \$20, there is left a balance of approximately 6,974 cases. The saving expected on these cases was approximately \$600 a year on each case, or a total of \$4,184,400, which the elimination of this provision will cost annually.....							
Sec. 202 (10): The extension of outpatient treatment to all veterans will not be an immediate cost, but will make impossible the reduction of outpatient dispensary facilities which would have resulted had these facilities been limited to the treatment of service-connected disabilities.							
The furnishing of prosthetic appliances for veterans entitled to hospitalization under sec. 202 (10) will it is estimated cost approximately.....	10,000	10,000	10,000				

	Cost during—		
	First year	Second year	Third year
Sec. 202 (10) further provides that where nonservice cases are hospitalized and are financially unable to supply themselves with clothing the Government will furnish these beneficiaries with the necessary clothing. The maximum cost of this provision is estimated at \$447,000, although for the purpose of estimate this figure is discounted by 50 per cent, producing a final estimated figure of.....	\$220,000	\$220,000	\$220,000
Sec. 10 amends sec. 203 to provide for a per diem allowance of \$2.65 for the period of travel and observation. From a study of 500 cases paid under the existing law which provides that payment shall not exceed \$80 a month, although in many cases \$10 a day is allowed for short period, the average as the law is now being administered does not exceed \$2.65 a day. The administrative cost will be materially lessened, and it is therefore, believed that a small saving will be effected by this provision.			
Sec. 209 is amended so that there will be no time limit for the filing of claims. During 1925, 43,524 claims were filed, and it is estimated that during the fiscal year 1926 approximately 30,108 claims will be filed. Since the passage of the World War veterans' act of 1924, 7,500 cases have been awarded compensation which would have been disallowed had it not been for the 2-year extension allowed under this act. It is expected that at the end of the 2 years approximately 10,000 cases will have been allowed under this extension. This is approximately 13 per cent of the total number of claims filed. Reducing the number of claims filed by the experience over the past 2 years, and using the 13 per cent as the rate of allowance of these claims, and the value of these claims (\$23.50 a month) as a cost, it is estimated that the cost resulting from this provision for the next 3 years will be approximately.....	671,580	1,182,480	1,540,110
There will be added to the total compensation pay roll each year additional cases in decreasing yearly totals. Thus, over and above the cases figured for 1927, which will cost \$671,580, there will be brought additional cases in 1928, 1929, etc., at an estimated cost of \$510,930, \$357,630, etc. From the above it is apparent that the cost of this legislation over the next several years is accumulative, although the extent of such accumulation is dependent upon the duration of the award for the new cases brought in.			
Sec. 15 amends sec. 301 to provide for the continuation of term insurance for a period of 3 years. The chief effect of such a continuation would be the increased cost due to the continued application of sec. 305, assuming that sec. 305 under the present law is not effective subsequent to July 2, 1926. Based upon current experience, the amount of term insurance which might be brought in under sec. 305 by the continuation of the term-insurance provisions for another 3 years is estimated at \$105,039,900. Payment on this insurance would continue over approximately 20 years, accumulating each year as follows.....	5,252,000	10,504,000	15,756,000
Sec. 18 amends sec. 305 by limiting the class of beneficiaries. The above estimate of costs due to the continuation of term insurance through the amendment of sec. 301 can, therefore, be discounted by 45 per cent, with the resultant value of insurance which might be brought in totaling \$57,771,945. Through this limitation there results, therefore, a material saving each year as follows.....	2,862,000	5,724,000	8,586,000
Net cost of extension of term insurance.....	2,890,000	5,780,000	8,670,000
Sec. 20 amends sec. 309 to provide for the application of the uncollected \$60 bonus for the reinstatement of lapsed insurance. It is impossible to estimate the cost of this provision, although it is not believed that a great many cases will be affected.			
Sec. 21 amends sec. 406 to provide for the continuation of 6 months for placement trainees and for 2 years for professional trainees whose courses are not completed prior to July 1, 1926. The estimated cost of this provision is.....	4,823,995	1,931,920	-----
Estimated net annual costs.....	21,168,000	26,483,900	29,049,000

¹Savings.

It is to be borne in mind that the above estimates include certain costs which are (1) costs for just two years, such as for continuation of training; (2) not immediately effective, such as the elimination of the \$40 hospital rate for patients without dependents, which under the present law would commence July 1, 1927; and (3) those which are accumulative in effect; that is, under the provision drawing in additional cases each year. These factors account for the variation in the above indicated annual costs for the first three years, varying from approximately \$21,141,000 in the first year upward to \$29,029,000 in the third year. All the above estimates are based upon rates resulting from the application of the old rating schedule and do not consider the effect of the new rating schedule.

Very truly yours,

FRANK T. HINES, Director.

Mr. KING. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. KING. I am sure the Senator does not mean to convey the idea—and I am asking for information—that the Congress has been derelict in caring for the veterans of the World War. I call the attention of my learned friend to the fact that last year we appropriated nearly \$500,000,000 for the Veterans' Bureau, and this year we have already appropriated more than \$400,000,000. The amount we appropriated last year was more than was appropriated by Congress in nearly 50 years for the soldiers of the Civil War.

I am sure the Senator will confirm the view that Congress has tried to deal generously with the wounded and those who have suffered disabilities, not only in providing hospitals but in providing very liberal compensation for the injuries which they have sustained. As a member of the Finance Committee, I assure the Senator that any other legislation pending relating to those who have sustained disabilities will have sympathetic consideration.

Mr. BLEASE. Mr. President, will the Senator yield?

Mr. ASHURST. I yield.

Mr. BLEASE. I would like to ask the Senator from Utah if this money that is being expended is being given to the ex-service men, or is being paid for high salaries to somebody who is supposed to be looking after the ex-service men.

Mr. KING. I have said upon the floor of the Senate upon two or three occasions that in my opinion the number of employees of the Veterans' Bureau is entirely too large. I think that if the number of employees should be cut 50 per cent and a large number of the salaries should be cut, there would be more money for those who have been injured. My recollection is that the salaries and the administration of the Veterans' Bureau cost last year \$45,000,000. I ask permission, if I am in error, to correct that in the RECORD, because I am only speaking from recollection of bills that were before us.

Mr. BLEASE. How much would that leave out of the appropriation for the men who really are in need, and ought to have the money?

Mr. KING. Subtract \$45,000,000 from \$451,000,000, which was appropriated last year. That is a stupendous sum. That is nearly one-half of the entire amount appropriated for the expenses of the Government before the war. I just mention that to show the liberality and the generosity of Congress in dealing with this important question.

Mr. ASHURST. Certain administrative features of existing law require that amendments should be made. The expense proposed to be added to the present annual appropriation for the Veterans' Bureau would annually aggregate about \$29,000,000.

Included in the report on the Johnson bill, which I have inserted in the RECORD, is a copy of a letter from General Hines, Director of the Veterans' Bureau, giving a summary of the estimated expenditures.

NATIONAL BANK BRANCHES

Mr. PEPPER. Mr. President, I ask unanimous consent that we take up and give immediate consideration to House bill 2, to amend an act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5203 as amended, section 5211 as amended, of the Revised Statutes of the United States; and to amend section 9, section 13, section 22, and section 24 of the Federal reserve act, and for other purposes.

Mr. STANFIELD. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Oregon?

Mr. PEPPER. I yield.

Mr. STANFIELD. I do not want to object to the Senate taking up that bill, but I would like to ask that the Senator

have it temporarily laid aside, so as to permit me to ask unanimous consent to take up Senate bill 786.

Mr. KING. What is Senate bill 786?

Mr. STANFIELD. It is a bill to amend the act entitled "An act for the retirement of employees in the classified civil service, and for other purposes," approved May 22, 1920, and acts in amendment thereof.

Mr. KING. I do not think we can take that up at present.

Mr. PEPPER. I should be very glad indeed to postpone my request for unanimous consent to the request of the Senator. I am deeply interested in the civil service retirement bill and do not wish to press any other measure ahead of it.

Mr. KING. If the Senator is not enough interested in his own bill to protect it against invasion from without, I will help him protect it. I object.

The VICE PRESIDENT. Is the Senator objecting to the request of the Senator from Oregon, or to that of the Senator from Pennsylvania?

Mr. KING. There was a request made that we proceed to the consideration of the McFadden banking bill.

Mr. DILL. That has not been put.

The VICE PRESIDENT. That request has not been put by the Chair.

Mr. DILL. That bill will take considerable time, and it will lead to a great deal of discussion. It is a bill in which a great many Senators are interested, and if the Senator is going to ask unanimous consent, I think there ought to be a quorum here. I make the point of no quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Frazier	McKellar	Sackett
Blease	George	McKinley	Sheppard
Borah	Gerry	McLean	Shipstead
Bratton	Gillett	McMaster	Shortridge
Bruce	Glass	McNary	Simmons
Butler	Hale	Means	Smoot
Cameron	Harrell	Metcalf	Stanfield
Copeland	Harris	Norbeck	Steck
Couzens	Heflin	Nye	Stephens
Curtis	Jones, N. Mex.	Overman	Swanson
Dale	Jones, Wash.	Pepper	Trammell
Deneen	Kendrick	Pine	Wadsworth
Dill	King	Ransdell	Warren
Edge	La Follette	Reed, Mo.	Watson
Ferris	Lenroot	Robinson, Ark.	Willis

Mr. McKELLAR. I desire to announce the unavoidable absence of the junior Senator from Tennessee [Mr. TYSON]. I will let this announcement stand for the remainder of the day.

Mr. HARRIS. I desire to announce that the Senator from Texas [Mr. MAYFIELD], the Senator from West Virginia [Mr. GOFF], and the Senator from Delaware [Mr. BAYARD] are engaged in a committee meeting.

The VICE PRESIDENT. Sixty Senators having answered to their names, a quorum is present.

Mr. PEPPER obtained the floor.

Mr. McNARY. Mr. President, will the Senator yield to me for the purpose of submitting a conference report on the agricultural department supply bill?

Mr. PEPPER. May I ask the Chair whether I correctly understand the situation? I asked unanimous consent to take up Order of Business No. 357, House bill 2. There was interposed the suggestion of no quorum. I should like very much to have my request for unanimous consent disposed of; and if it is given, I shall be glad then to yield to the Senator from Oregon.

The VICE PRESIDENT. The matter before the Senate is the request of the Senator from Pennsylvania for unanimous consent to proceed to the consideration of House bill No. 2. Is there objection?

Mr. DILL. Mr. President, I want to ask the Senator from Pennsylvania a question. I understand that the public buildings bill is the unfinished business, but that this request, if granted, will not displace that bill?

Mr. PEPPER. I answer the Senator by saying that I purposely did not move to take up the bill, because I want to avoid displacing the public buildings bill. I am merely asking unanimous consent for the consideration of the banking bill, subject to the rights of the public buildings bill.

Mr. DILL. With no intention of pressing the banking bill to a conclusion?

Mr. PEPPER. There is no intention on my part of pressing it to a conclusion to the prejudice of legislation with a prior claim.

Mr. LENROOT. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state the inquiry.

Mr. LENROOT. Has the public buildings bill been temporarily laid aside?

The VICE PRESIDENT. It was laid aside temporarily two or three days ago.

Mr. LENROOT. That is still the status of it?

The VICE PRESIDENT. It is.

Mr. BRUCE. Mr. President, if the present application to the Senate for unanimous consent is granted, would it displace the public buildings bill? If so, I object.

The VICE PRESIDENT. The unanimous-consent request of the Senator from Pennsylvania would not displace the public buildings bill.

Mr. BRUCE. Very well.

Mr. SWANSON. The public buildings bill has been temporarily laid aside for several days and has not been taken up again. It can be called up at any time under the unanimous-consent agreement, as I understand it.

Mr. WATSON. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. PEPPER. I yield to the Senator from Indiana.

Mr. WATSON. The next bill on the program is the railroad labor bill, which has the right of way. I have no desire to call it up at this time, because when taken up I want to keep it before the Senate continuously until it shall have been either passed or defeated. I want to inquire of the Senator from Pennsylvania whether he intends to press his measure to the exclusion of the railroad labor bill if and when the proper time comes to take it up?

Mr. PEPPER. No; I merely wish to take advantage of the present opportunity to get the banking bill before the Senate. I recognize that the railway labor bill has a prior right to consideration, and I am glad to say to the Senator from Indiana that if the banking bill is taken up and if while it is before the Senate the railway labor bill is brought forward by him and pressed for consideration, I shall be glad to agree that the banking bill may be temporarily laid aside for that purpose.

Mr. KING. Mr. President, will the Senator from Pennsylvania yield?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Utah?

Mr. PEPPER. I yield.

Mr. KING. As I understood the Senator from Pennsylvania, he just stated to the Senator from Indiana that the railroad labor bill should have the prior right of way over the banking bill. I was wondering by what authority that had been done, whether it was by the steering committee of the Republicans or whether it was through the generosity of the Senator from Pennsylvania?

Mr. PEPPER. I made that statement from this point of view. As I understand it, the order of importance which, by the common consent of the Senate, is given to measures before the Senate is first the public buildings bill, second in point of general importance the railway labor bill, and third the banking bill, and then other great measures with which the Senator is familiar.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

Mr. PEPPER. Certainly.

Mr. ROBINSON of Arkansas. I really do not know how the Senator reaches that conclusion. I think he undertook to state the viewpoint of the Senate that one of the great measures which he mentioned would be relegated if the other matter in charge of the Senator from Indiana were brought before the Senate.

Mr. PEPPER. The Senator will not understand me as attempting to express his view. I was indicating merely my own view.

Mr. ROBINSON of Arkansas. But the Senator did express the view of the Senate, or what he understood to be the view of the Senate, and I was wondering how he had arrived at it.

Mr. WATSON. Mr. President, may I make a statement in that regard?

Mr. PEPPER. I yield to the Senator from Indiana.

Mr. WATSON. The majority is responsible for legislation or for the initiation, at all events, of legislation. The majority has a steering committee for the purpose of bringing in measures in accordance with what it deems to be the relative importance of the measures. In accordance with that program, which everybody recognizes, the steering committee brought in the public buildings bill. Then next in order was the railroad labor bill and then the banking bill.

Mr. ROBINSON of Arkansas. The Senator is giving us that information. We had not received it before. What other measures of great importance, if the Senator will kindly inform the

Senate, does he expect to have considered on the program during this session?

Mr. WATSON. The Senator interrogates me, but I am not a member of the steering committee.

Mr. ROBINSON of Arkansas. The Senator is speaking for the steering committee.

Mr. WATSON. Because the steering committee has made this program.

Mr. ROBINSON of Arkansas. The Senator has impliedly criticized the intelligence of Senators who do not know what is the program of the steering committee.

Mr. WATSON. The steering committee has made a report with which we on this side of the aisle are familiar.

Mr. ROBINSON of Arkansas. To whom has the steering committee reported?

Mr. WATSON. To the Republican caucus.

Mr. ROBINSON of Arkansas. Oh, to the Republican caucus.

Mr. WATSON. Certainly; because the Republicans are in the majority and have the right to initiate legislation.

Mr. ROBINSON of Arkansas. The Senator is familiar with the report of the steering committee to the Republican caucus and has given us the advantage of the information that it is proposed to treat the public buildings bill as of first importance, the railway labor bill as of second importance, and the banking bill, in which the Senator from Pennsylvania is interested, as of third importance. Will he go a step further and give the Senate and the country information as to what other measures the steering committee contemplates shall be considered during the present session of Congress?

Mr. WATSON. So far as I know, the steering committee has reported no further than those three bills.

Mr. ROBINSON of Arkansas. That is as far as the steering committee has gone?

Mr. WADSWORTH. Mr. President, with the Senator's permission—

Mr. PEPPER. I yield to the Senator from New York.

Mr. WADSWORTH. The steering committee also suggested for the consideration of the Senate what might be termed the Army Air Service bill.

Mr. ROBINSON of Arkansas. The Senator from New York has contributed valuable additional information regarding the report of the steering committee.

Mr. WATSON. The Senator from New York is chairman of the steering committee.

Mr. ROBINSON of Arkansas. To the chairman of the steering committee I will address my inquiry, with the permission of the Senator from Indiana and the Senator from Pennsylvania.

Mr. PEPPER. I yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. What further bills of general public interest does the steering committee contemplate asking the Senate to consider during the present session, and when is it anticipated that the program of the steering committee will be consummated and the Senate be able to adjourn sine die?

Mr. WADSWORTH. I can not answer that question.

Mr. ROBINSON of Arkansas. But the Senator can answer the first part of the question?

Mr. WADSWORTH. A great deal of the answer to that question will depend upon the attitude of the minority toward some of the bills and the amount of time they consume in discussing them.

Mr. ROBINSON of Arkansas. It would be interesting to know whether the steering committee, in its machinations and contrivances, has chosen to put forward a so-called farmers' relief bill.

Mr. McNARY. Mr. President—

Mr. ROBINSON of Arkansas. May I inquire if my friend the Senator from Oregon, is a member of the steering committee?

Mr. McNARY. Answering the able Senator from Arkansas, I am not a member of that committee.

Mr. ROBINSON of Arkansas. By what authority does the Senator speak, then? [Laughter.]

Mr. McNARY. I shall impress upon the committee during the week the importance of taking up some farm-relief legislation and having it on the program.

Mr. ROBINSON of Arkansas. Did the Senator say he shall do so?

Mr. McNARY. I shall, but failing to persuade the committee, I shall bring it upon the floor of the Senate, in which event I hope the Senator from Arkansas will aid the Senator from Oregon to bring a farm relief bill before the Senate.

Mr. ROBINSON of Arkansas. Will the Senator take us further into his confidence and tell us what farm relief bill

is going to receive the benefaction of his influence with the steering committee?

Mr. McNARY. The Senator from Oregon has reported a farm relief bill, and the report was printed and placed on the desks of Senators this morning, I think. It contemplates the so-called administration plan of a cooperative marketing division in the Department of Agriculture.

Mr. ROBINSON of Arkansas. Is it the Tinchler bill or the Haugen bill?

Mr. McNARY. It is a modification of the so-called McNary-Haugen bill. I will say to the Senator from Arkansas that it is an amendment to the cooperative marketing bill now before the Senate. It is on the calendar, and I shall press for the consideration of it during the present session of Congress.

Mr. ROBINSON of Arkansas. But the Senator will not do that until he has obtained the permission of the steering committee?

Mr. McNARY. No, indeed; I am going to ask permission; but that permission being denied, I am going to proceed in my own way.

Mr. ROBINSON of Arkansas. Why does not the Senator proceed in his own way, without reference to the steering committee?

Mr. McNARY. I want to be regular as far as I can.

Mr. PEPPER. Mr. President, I should like to remind the Senators of the present status of my request, which is merely—

Mr. BRUCE. Mr. President, will the Senator from Pennsylvania yield?

Mr. PEPPER. I will ask the Senator to permit me to finish the sentence.

Mr. BRUCE. I know that much will be lost if I do not do so.

Mr. PEPPER. About 33 per cent will be lost. Mine will be a very short statement. I have asked unanimous consent that the Senate take up the banking bill, with the understanding that by so doing I am in no way prejudicing the position of the public buildings bill, which is the undisposed of business before the Senate and which has been temporarily laid aside. I have said to the Senator from Indiana [Mr. WATSON] that in the event of long debate upon the banking bill and of the desire upon the part of Senators to take up the railroad labor bill I should agree to have the banking bill laid aside temporarily. Subject to those two statements, I renew my request for unanimous consent that the banking bill be taken up at the present time.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. PEPPER. I yield to the Senator.

Mr. ROBINSON of Arkansas. The Senator from Pennsylvania does not mean to say that he would not consent to have the banking bill laid aside for some other measure if a Senator should ask him to do so?

Mr. PEPPER. I think the Senator from Arkansas is probably always reasonable in the presentation of any request; I have never known him to make an unreasonable request.

Mr. ROBINSON of Arkansas. I may be able to submit a reasonable request to the Senator.

Mr. BRUCE. I object for the present. I should like to ask the Senator from New York [Mr. WADSWORTH] a question with regard to the program of the Republican steering committee. I should like to ask him whether the French spoliation claims bill is a part of the program. It was so at the last session of Congress.

Mr. WADSWORTH. The program of the steering committee, of course, is not complete at this time. It depends upon developments here in connection with measures which will take up our time for a good many days to come.

Mr. BRUCE. Has there been any discussion of the matter?

Mr. WADSWORTH. None whatever. I ask the Senator in turn if the bill is upon the calendar?

Mr. BRUCE. Yes; it is. The Senator from New York will recollect that last year it was made a part of the program of the Republican steering committee, and I trust it will be so this year.

Mr. WADSWORTH. May I say that the program, so called, of course, is always tentative and subject to the approval of the Senate, which has the authority and the power to overturn it at any moment by a majority vote or by a Senator moving to take up some other bill and his motion being agreed to. The program is made up of bills which are already upon the calendar.

Mr. BRUCE. I certainly hope that the French spoliation claims bill will be included in the steering committee's program,

because the President recommended the passage of that bill at the last session of Congress—

Mr. WADSWORTH. I know that.

Mr. BRUCE. And it was placed on the program. I do not see any reason why it should not be placed on the program at this session of Congress.

Mr. CURTIS. Mr. President, will the Senator from Maryland yield to me?

Mr. BRUCE. Yes.

Mr. CURTIS. The Senator from Maryland spoke to me in reference to this bill a few days ago, and I promised the Senator to take up the matter with the steering committee when it again met and that I would bring it to their attention. Since that time the steering committee has not met, and, therefore, the bill has not been brought to their attention.

Mr. BRUCE. The steering committee meets so secretly that it is hard for an ordinary Member of the Senate to keep up with its transactions.

Mr. ROBINSON of Arkansas. I hope there will be no objection to the request of the Senator from Pennsylvania [Mr. PEPPER.]

Mr. BRUCE. I withdraw my objection.

The VICE PRESIDENT. Is there objection to the request of the Senator from Pennsylvania to proceed to the consideration of House bill No. 2?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 2) to amend an act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as amended, section 5202 as amended, section 5208 as amended, section 5211 as amended, of the Revised Statutes of the United States; and to amend section 9, section 13, section 22, and section 24 of the Federal reserve act, and for other purposes, which had been reported from the Committee on Banking and Currency with amendments.

Mr. PEPPER obtained the floor.

Mr. McNARY. Mr. President, will the Senator from Pennsylvania yield to me for the purpose of presenting a conference report?

Mr. PEPPER. Certainly.

AGRICULTURAL DEPARTMENT APPROPRIATIONS

Mr. McNARY. At this time I desire to present a conference report on the agricultural appropriation bill and to ask unanimous consent for its immediate consideration.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate proceed to consider the report, which was read, as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8264) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1927, and for other purposes, having met, after full and free conference have agreed to recommend and do recommend to their respective Houses as follows:

That the Senate recede from its amendments numbered 2, 28, 37, 41, and 44.

That the House recede from its disagreement to the amendments of the Senate numbered 1, 3, 4, 5, 6, 7, 8, 9, 13, 14, 17, 20, 21, 23, 24, 25, 26, 27, 31, 32, 33, 34, 35, 36, 42, 43, 46, 48, 50, 58, 59, 60, 61, 62, and 63, and agree to the same.

Amendment numbered 10: That the House recede from its disagreement to the amendment of the Senate numbered 10, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$4,653,000"; and the Senate agree to the same.

Amendment numbered 11: That the House recede from its disagreement to the amendment of the Senate numbered 11, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,678,000"; and the Senate agree to the same.

Amendment numbered 12: That the House recede from its disagreement to the amendment of the Senate numbered 12, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$750,000"; and the Senate agree to the same.

Amendment numbered 15: That the House recede from its disagreement to the amendment of the Senate numbered 15, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$6,940,653"; and the Senate agree to the same.

Amendment numbered 16: That the House recede from its disagreement to the amendment of the Senate numbered 16, and

agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$9,477,763"; and the Senate agree to the same.

Amendment numbered 18: That the House recede from its disagreement to the amendment of the Senate numbered 18, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$12,300"; and the Senate agree to the same.

Amendment numbered 19: That the House recede from its disagreement to the amendment of the Senate numbered 19, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$495,094"; and the Senate agree to the same.

Amendment numbered 22: That the House recede from its disagreement to the amendment of the Senate numbered 22, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$368,280"; and the Senate agree to the same.

Amendment numbered 29: That the House recede from its disagreement to the amendment of the Senate numbered 29, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,333,055"; and the Senate agree to the same.

Amendment numbered 30: That the House recede from its disagreement to the amendment of the Senate numbered 30, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$3,908,055"; and the Senate agree to the same.

Amendment numbered 38: That the House recede from its disagreement to the amendment of the Senate numbered 38, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$500,220"; and the Senate agree to the same.

Amendment numbered 39: That the House recede from its disagreement to the amendment of the Senate numbered 39, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$588,480"; and the Senate agree to the same.

Amendment numbered 40: That the House recede from its disagreement to the amendment of the Senate numbered 40, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$507,000"; and the Senate agree to the same.

Amendment numbered 45: That the House recede from its disagreement to the amendment of the Senate numbered 45, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,016,230"; and the Senate agree to the same.

Amendment numbered 47: That the House recede from its disagreement to the amendment of the Senate numbered 47, and agree to the same with an amendment as follows: On page 50 of the bill, in line 10, strike out the words "this insect" and insert in lieu thereof the words "these insects"; and the Senate agree to the same.

Amendment numbered 49: That the House recede from its disagreement to the amendment of the Senate numbered 49, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,625,168"; and the Senate agree to the same.

Amendment numbered 51: That the House recede from its disagreement to the amendment of the Senate numbered 51, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$775,150"; and the Senate agree to the same.

Amendment numbered 52: That the House recede from its disagreement to the amendment of the Senate numbered 52, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$2,421,607"; and the Senate agree to the same.

Amendment numbered 53: That the House recede from its disagreement to the amendment of the Senate numbered 53, and agree to the same with an amendment as follows: In lieu of the sum proposed insert "\$1,746,397"; and the Senate agree to the same.

The committee of conference have not agreed on amendments numbered 54, 55, 56, 57, and 64.

CHAS. L. McNARY,
W. L. JONES,
LEE S. OVERMAN,
WM. J. HARRIS,

Managers on the part of the Senate.

WALTER W. MAGEE,
EDWARD H. WASON,
J. P. BUCHANAN,

Managers on the part of the House.

Mr. McNARY. Mr. President, just a word in explanation of the conference report. The Senate conferees were unable to persuade the House conferees that they should recede and allow a larger sum for the control and eradication of tuberculosis in cattle. It is true the House conferees at the original conference added \$550,000 to the item as it had passed the other House. However, it was considerably less money than was placed in the bill by amendment on the floor of the Senate.

It is fair to state that the House conferees were in sympathy with the great work of the eradication of tuberculosis in cattle. They felt, however, that inasmuch as the President did not submit the item to the Budget Bureau for a larger sum, under their rules they could not go further than they had done in the increase of the item. At the time of the meeting of the conferees of the two Houses the chairman of the House conferees gave to the chairman of the conferees on the part of the Senate a statement representing the views of the House, which I desire to have the Secretary read from the desk.

The VICE PRESIDENT. Without objection, the Secretary will read as requested.

The Chief Clerk read as follows:

IN RE APPROPRIATION FOR THE ERADICATION OF BOVINE TUBERCULOSIS

The position of the House conferees is just the same as in the conference. We refuse to agree to any larger appropriation in the absence of a supplemental estimate from the President as a basis therefor.

As the House conferees have agreed to an appropriation of \$556,000 in excess of the appropriation already approved by the House, and as the conferees have complete jurisdiction within the limitations of the action of the House and of the Senate, the House conferees feel that no obligation rests upon them to take the question of a larger appropriation back to the House.

It is apparent that a plethora of funds has been made immediately available and that there will be an abundance of funds to run at least until March 4, 1927, when it is to be presumed that a new bill will have been enacted into law.

At the December session conditions can be thoroughly gone into and properly met. The House is as determined as the Senate that no backward step shall be taken in this important work.

Mr. WILLIS. Mr. President, that declaration on the part of the conferees of another body sounds to me much like an ultimatum. I do not like the tone of a statement of that sort. Yet I do not know of anything that the conferees on the part of the Senate or that the Senate can do to obviate the unfortunate situation which arises therefrom.

When this question was before the Senate some time ago I expressed, perhaps at too great length, my views upon the subject. I think it is a mistaken policy, if we are to deal with this question at all in the interest of the public health, that we should deal with it piecemeal. If we are to eradicate tuberculosis by the application of the tuberculin test, it seems to me from every viewpoint, from the viewpoint of economy and the viewpoint of the protection of the health of the public, that work ought to go forward as rapidly as possible and not in this rather slipshod manner so as, in my judgment, ultimately to prevent effectiveness in the work. It was with that idea in view that many of us urged the enlarged appropriation which the Senate made. The Senate increased the appropriation by \$2,000,000, but now we are faced with a condition under which apparently we are able to receive an increase of only \$550,000.

I do not criticize the conferees on the part of the Senate. I know they were in sympathy with the views of the Senate and did everything they could to secure the enlarged appropriation. I content myself simply by expressing regret that the conferees on the part of the House could not have seen the necessity of this great work, and therefore could not have agreed, as we had hoped they might, to the enlarged appropriation made by the Senate.

Mr. COPELAND. Mr. President, will the Senator from Pennsylvania yield to me for a moment?

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from New York?

Mr. PEPPER. I yield to the Senator from New York.

Mr. COPELAND. Mr. President, I am in the fullest sympathy with everything said by the Senator from Ohio, except that I think I see a ray of hope. If I rightly understood the reading of the statement made by the House conferees, they hold out to us a half promise that at the next session we may obtain more money. May I ask the chairman of the committee if we have not every reason to expect that the committee having charge of agricultural appropriations will at the next session go as far as they have gone this time in securing increased appropriations for this purpose?

Mr. McNARY. I can only express a hope in that direction.

Mr. COPELAND. I think the feeling of the Senate is a very positive one that we desire to have larger appropriations for the purpose of the eradication of bovine tuberculosis.

Mr. McNARY. Much depends upon the attitude of the Director of the Budget.

Mr. COPELAND. Of course I understand that, but I take it that we may expect from the committee all the effort and enthusiasm possible to accelerate action on the part of the Budget?

Mr. McNARY. I think the Senator may.

Mr. COPELAND. Of course, our conferees, Mr. President, have gone as far as they can go, and I think that we appreciate their efforts, but I do hope that at the next session we may have a larger sum appropriated for this very important work.

Mr. LENROOT. Mr. President—

The VICE PRESIDENT. The Senator from Pennsylvania has the floor. Does the Senator yield to the Senator from Wisconsin?

Mr. PEPPER. I yield to the Senator from Wisconsin.

Mr. LENROOT. I shall take but a moment. I very greatly regret the fact that the Senate conferees were unable to secure any change in the conference report from that which was previously submitted. As stated by the chairman of the conference committee and as appears from the statement which was read at the desk, the Senate conferees found themselves absolutely helpless. They were told that the amendment would not be taken back to the House for a vote; they were told that the House conferees would not agree to any increase over that which the last conference agreed to, and therefore there was nothing that the Senate conferees could do except to make the report which has been made.

There is this to be said in answer to the Senator from New York, that the House conferees did state expressly that in December, when the Congress shall again meet, if it shall appear that there is a shortage and a necessity for an additional appropriation they will be very glad to cooperate with us in securing an additional appropriation in a deficiency bill. The only reason why that would not have fully answered the purpose is that with this appropriation the department will make allotments on the 1st of July to the different States, depending upon the size of the appropriation now made, and in some of the States, especially States such as Wisconsin and Illinois, I very much fear the allotments will be exhausted before Congress shall again meet and be able to provide a deficiency appropriation. However, Mr. President, those States are in need and the money is immediately available; it is apparent that the Senate can do nothing further than has been done, and I see, therefore, nothing to do except to agree to the conference report.

Mr. GLASS. Mr. President—

The VICE PRESIDENT. Does the Senator from Pennsylvania yield to the Senator from Virginia?

Mr. PEPPER. I yield to the Senator from Virginia.

Mr. GLASS. Mr. President, on this point of discussion I wish to say that at some future time when this problem may be dealt with I expect to review before the Senate the whole question of the so-called eradication of bovine tuberculosis, in order that the Senate may vote with more intelligent appreciation of what the whole thing means. This appropriation is not for the eradication of bovine tuberculosis; it is for the compensation of cattle breeders whose property is being destroyed; and, as I have said, at the proper time I intend to review before the Senate the whole problem, in order that Senators may vote with a more intelligent appreciation of what they are voting for than is possible at this time.

Mr. KING. Mr. President, may I ask the Senator from Virginia a question?

Mr. PEPPER. I yield to the Senator from Utah.

Mr. KING. Is it not a fact—and I put it in the interrogative form because of information which has come to me—that in some instances cattle have been destroyed without any rhyme or reason because of the incompetency of so-called experts of the Agricultural Department?

Mr. GLASS. Undoubtedly that is true.

The VICE PRESIDENT. The question is on agreeing to the conference report.

The report was agreed to.

NATIONAL BANK BRANCHES

The Senate, as in Committee of the Whole, resumed the consideration of the bill (H. R. 2) to amend an act entitled "An act to provide for the consolidation of national banking associations," approved November 7, 1918; to amend section 5136 as amended, section 5137, section 5138 as amended, section 5142, section 5150, section 5155, section 5190, section 5200 as

amended, section 5202 as amended, section 5208 as amended, section 5211 as amended of the Revised Statutes of the United States, and to amend section 9, section 13, section 22, and section 24 of the Federal reserve act, and for other purposes.

Mr. PEPPER. Mr. President, I trust that Senators will not ask me further to yield. I am very anxious to present to the Senate some outline considerations respecting House bill 2, and to make such progress as we may in the consideration of that very important measure.

It will be remembered that a bill somewhat like the one now under consideration was before the Senate at the last session of the Congress. It had been passed by the House, had been reported out by the Senate Committee on Banking and Currency, was subjected to some consideration and the occasion of some discussion on the floor, but failed of final action when adjournment was had.

At this session bills substantially similar were introduced into the House and into the Senate. The House bill was passed, was sent to the Senate and referred to the Committee on Banking and Currency, where it received the tentative consideration of a subcommittee, was then considered by the whole committee, and was with unanimity reported out to the Senate with a variety of amendments to which I shall particularly address myself.

Mr. President, there are a great many provisions in the bill which I think give rise to little or no difference of opinion. There are, for example, provisions simplifying the process of consolidation between national banks, or between a State bank and a national bank. There are provisions respecting some of the internal mechanism for the running of the bank, such as the creation of the official position of chairman of the board. There are various provisions which will be found, if enacted, to contribute greatly to the convenience of national bank administration; but the provision around which differences of opinion cluster are the provisions which relate to the much-mooted subject of branch banking.

It will be remembered by the Senate that in a number of States we have a well-defined policy hostile to branch banking. In a number of States we have a policy favorable to branch banking. In others the position of the State is not so clearly defined; but, irrespective of what the State law may be with respect to the right of State institutions to establish their own branches, there is not at the present time any clean-cut provision in the national banking act authorizing a national bank to establish branches even in those States in which State banks are permitted to establish branches and maintain them under the law. The present measure undertakes to establish this formula for the determination of the right of a national bank to establish and maintain a branch.

In the first place, the requirement of the formula is that there must be a State law under which State banks are permitted to have the privilege in question. In the second place, there can be no establishment by national banks of branches outside the limits of the municipality in which the parent bank is situated. In the third place, the provision is made sufficiently flexible to enable a national bank in a State where there is not to-day enabling legislation in favor of State banks to take advantage of such enabling legislation in the future if it happens that the State in question hereafter changes its policy and permits its own institutions to establish branches.

The provision relating to a possible future change of policy on the part of the State is the one about which differences of opinion will be found to exist in the Senate and among bankers. I shall come to a more specific statement about it in a moment.

In order to make a consideration of the branch-banking problem as clear as possible, the Senate committee has undertaken to assemble in a single section all the provisions on branch banking, which in the House bill were scattered through a variety of sections. Senators who study the bill will find that we have carefully culled from all sections the provisions on the subject of branch banking with nothing more than what is equivalent to a cross reference on the subject to a single section; and in that single section we have collated and have attempted to set forth in an orderly way all the provisions which are recommended to the Senate on the subject of branch banking.

I do not think I can more clearly state the views, which I desire to press upon the Senate, than to read the provisions of the section to which I have referred. It is section 7 of the bill; it appears on page 13, and, if adopted, will become section 5155 of the Revised Statutes. The proposed section begins with this sentence:

The conditions upon which a national banking association may retain or establish and operate a branch or branches are the following:

Then come a series of lettered subdivisions, the first of which is designed to retain as they now exist branches maintained and operated by national banks within the limits of any State. In other words, it is not the purpose of the bill to disturb any condition that exists to-day. The language of the subsection is as follows:

A national banking association may maintain and operate such branch or branches as it may have in operation at the date of the approval of this act.

We found in the committee, Mr. President, that there was unanimity of view respecting the wisdom of taking existing conditions as they stand respecting branches, not upsetting any branch or requiring its discontinuance, but rather crystallizing the situation as it exists at the date of the approval of the act.

Mr. KING. Mr. President, will the Senator permit a question? I am sorry to interrupt him.

Mr. PEPPER. I shall be glad to yield to the Senator from Utah.

Mr. KING. The Senator doubtless has in mind a certain State, which I shall not name, in which a few institutions have a large number of branch banks. They have acquired them by methods which some people in the State strongly condemn; and some of the conservative and perhaps best bankers of the State disapprove of a condition which would permit a continuance of existing conditions with respect to those banks, and the retention of the large number of banks which they have acquired, or over which they have acquired control. This bill would not interfere at all with but would perpetuate that evil, if it be an evil, would it not? And I express no opinion as to whether or not it is an evil.

Mr. PEPPER. I understand the Senator's question; but let me remind the Senator that the situation to which he refers is one that relates to the State institutions of the State in question. There is no law which authorizes the national banks in the State to which the Senator refers, or in any other, to maintain branches. Those branches to which the Senator has referred are branches that are maintained by State institutions throughout the State in question.

Mr. KING. I was under the impression that at least one, if not two, of the banks which I have in mind were Federal banks.

Mr. SHORTRIDGE. Mr. President—

Mr. PEPPER. If the Senator is referring, as I take it he is, to the State of California—and my assumption on that subject is strengthened by the rising of the Senator from California [Mr. SHORTRIDGE]—I should reply that, to the best of my knowledge, while there may be one or two such branches, yet the state-wide system of branch banking is confined to the State institutions; and I will ask the Senator from California whether I am right or wrong?

Mr. SHORTRIDGE. Mr. President, manifestly the State could not pass any law affecting the national banking associations; but I must have misunderstood the Senator from Pennsylvania in his reply to the Senator from Utah. Subsection (a) of section 7 deals specifically with national banking associations.

Mr. PEPPER. Quite so.

Mr. SHORTRIDGE. I understood the Senator to make reply that there were branch banks maintained by national banking associations in California. I perhaps misunderstood the Senator.

Mr. PEPPER. I was attempting to convey to the Senator from Utah my own impression, which is that the state-wide branch banking to which he refers in the State of California is a system existing under the law of that State, and has to do with branches established and maintained by State banks. Subsection (a) of the section we now have before us deals exclusively with national banks.

Mr. SHORTRIDGE. Yes. Of course, Ohio has a similar system.

Mr. COUZENS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. COUZENS. Under the section to which the Senator has just referred would it be possible for national banking associations to establish branches throughout the State of California?

Mr. PEPPER. Mr. President, answering the Senator, I would say that under subsection (a) no authority is given to any institution to establish any branch anywhere. It merely provides that a national banking association may maintain and operate such branch or branches as it may have in operation at the date of the approval of this act.

Mr. COUZENS. Perhaps the Senator did not understand my question, or else I did not state it properly. I was wondering whether the bill provided in any section for the establish-

ment of state-wide national branch banks, such as exist in the case of State banks in the State of California.

Mr. PEPPER. No, Mr. President. With the Senator's indulgence I will defer a more specific answer to his question until I come to the section or subsection that deals with that particular subject. It will be found, then, that there is nothing in this bill which under any circumstances permits national banks to have state-wide branch-banking systems connected with them.

Mr. COUZENS. May I ask the Senator's indulgence further? The Senator says that under subsection (a) any existing branch banks may be perpetuated. Is that correct?

Mr. PEPPER. The exact language is:

A national banking association may maintain and operate such branch or branches as it may have in operation at the date of the approval of this act.

Mr. COUZENS. May I not suggest that that date be made retroactive to prevent the establishment of additional facilities of that kind while this bill is now pending? It occurs to me that if this bill shall not become effective for 30 days or so, national banking associations may establish the sort of banks or branches or paying windows that this section intends to prevent.

Mr. PEPPER. Mr. President, it seems to me that while, of course, the contingency suggested by the Senator is a possible one, it is not likely to occur to any such extent or degree as to give rise to difficulty or trouble. But if, at the time we come to consider amendments, the Senator proposes an amendment on that subject, I for one shall not be disposed to oppose it, although I can not speak for the committee.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. COPELAND. At the present time the Treasury Department would not permit a branch to be established outside of the city where the parent organization existed.

Mr. COUZENS. I am not speaking of branches outside of the city where the parent organization exists, but within, having in mind the establishment of such branches as were established in St. Paul and Minneapolis, which were established, as I understand it, without the consent of the Comptroller of the Currency.

Mr. PEPPER. Subsection (a) deals with the situation as it exists and does recognize the right of national banking associations to maintain the branches which they have, either at the date of the passage of the act as drawn, or, if amended as suggested by the Senator from Michigan, as of the date of its introduction, or of some other date.

Mr. EDGE. Mr. President—

The VICE PRESIDENT. Does the Senator yield to the Senator from New Jersey?

Mr. PEPPER. I yield.

Mr. EDGE. Speaking as a member of the subcommittee, may I not ask if that decision was not arrived at because of a conviction on the part of the subcommittee that in preparing this legislation for future control it was somewhat outside of our jurisdiction, in a way, to go back and interfere with existing conditions? If they exist, they exist because they have been permitted to exist, perhaps for different reasons in different sections. But we decided that for us to attempt to review all of those various reasons would be a little beyond the responsibility we had.

Mr. PEPPER. I will merely answer the Senator from New Jersey by pointing out that the difference between the bill as it stands and the suggestion that the Senator from Michigan has made is the difference between the date of the introduction of the measure and the date of its final passage.

Mr. GLASS. Mr. President—

The PRESIDING OFFICER (Mr. ASHURST in the chair). Does the Senator from Pennsylvania yield to the Senator from Virginia?

Mr. PEPPER. I yield.

Mr. GLASS. Is it not a fact that under a decision of the Supreme Court no national bank may now establish a branch in any State the laws of which prohibit branch banking?

Mr. PEPPER. That is true; but I think the Senator from Michigan has this thought in mind, that the definition of a branch contained in one of the sections of the bill is broad enough to include the so-called teller's window, or something of that sort, which would not be a branch bank within the meaning of the decision of the Supreme Court.

Mr. COUZENS. The Senator from Pennsylvania has correctly stated the idea I intended to express. In other words, by making that section of the act retroactive to a date in the past, I wanted to prevent anyone from opening up any more of those

tellers' windows, or whatever you call them, in anticipation of this bill becoming a law, and then having them validated.

Mr. PEPPER. Mr. President, if either as the measure stands or as it may be amended in the way last suggested, we regard subsection (a) as having to do with the conditions as they exist at a fixed time, the next question is that which arises when a consolidation takes place between a State bank and a national bank, or when a State bank is converted into a national bank at a future day, and the State bank thus consolidated or converted has taken advantage of the right given to it by the law of its State to establish and maintain branches. The question will then arise whether the process of consolidation or conversion carries into the consolidated organization the preexisting branches that were maintained, not by the national bank, but by the State bank which is a constituent of the organization.

That is dealt with in subsection (b), and the language of the subsection is this:

If a State bank is hereafter converted into or consolidated with a national banking association, the said association may retain and operate such branches, if any, as were being maintained and operated by said State bank at the date of the approval of this act.

In other words, I am suggesting, on behalf of the committee, that we should deal with existing branches of State banks in the same way that in subsection (a) we have dealt with the existing branches of national banks, namely, that those State branches should be permitted to be maintained and operated, if they are now existing under the local law, when a consolidation shall have taken place between the State bank which maintains and operates them and a national bank.

I call the attention of the Senate to the fact that this provision would validate State branches beyond the limits of a municipality, if those State branches exist beyond the limits of a municipality in conformity with State law. That is not on the theory that the Congress is authorizing national banks to establish upstate branches, but it is recognizing the right of a State bank with upstate branches to bring them into a consolidation with a national bank. We were all of opinion that the policy underlying this act, which was not to disturb conditions that exist, required us to propose such an arrangement as that which I have now outlined.

Mr. KING. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. KING. Of course, if I understand the Senator, if branch banks are permitted in a State now, and a bank has a large number of branches, and subsequent to the passage of this act enters the Federal reserve system, it may not only bring into the system all existing branch banks, but, if there is no law in the State restricting that bank from acquiring further banks, it may bring them also into the system.

Mr. PEPPER. Mr. President, if I rightly understand the Senator's observation, he is correct; but I call attention to the fact that he is now dealing with a proposed amendment to the Federal reserve act, and is speaking of the effect of branch banking provisions upon membership in the Federal reserve system, which is a feature of this bill to which I shall presently address myself. Up to the moment we have been talking about amendments to the national banking act just as if the Federal reserve system did not exist.

Mr. COUZENS. Mr. President—

Mr. PEPPER. I yield.

Mr. COUZENS. The suggestion occurs to me in considering the provision of the section the Senator has just read that a national bank purchasing a State bank with a large number of established branches, and operating thereafter under the national law, would have a considerable advantage over some other national bank which might not thereafter be able to establish branch banks. I do not think of any way of correcting it, but it does occur to me that that possibility exists.

Mr. PEPPER. I think the Senator is undoubtedly right, and I think that further reflection will suggest to him a variety of ways in which inequalities will exist in spite of our efforts to eliminate them. There are situations which are inevitable, where advantage of a situation may be taken with resulting inequalities. But we have done our best by general rule to keep those cases from arising.

Mr. GLASS. Mr. President, that inequality exists now, under the present system.

Mr. PEPPER. It undoubtedly does. The most that can be said in criticism of the pending measure is that we have not changed the existing law in that regard.

Mr. EDGE. Mr. President, enlarging on that thought, as a matter of practical result, as I understand it, there are very few States permitting State banks to have branches outside of

the municipality of the parent bank. There are some. In those States, as has been said by the Senator from Virginia, they already have that privilege, and we can not stop it. That is a matter of their State policy. Therefore, in considering our national banks in competition or in inviting State banks to become a part of the national system, which we naturally want them to do, we can not dictate their State laws.

Mr. COUZENS. Mr. President, the Senator perhaps did not understand me correctly. I recognize the competition as between State banks, with their multitudinous branches, and the national banks without branches. That, I understand, can not be avoided as the law is now. But under this bill there is an attempt to change that, so far as permitting national banking associations to establish banks in the States where branch banks are permitted by the States concerned.

Under the section which the Senator from Pennsylvania has just read competition is created between national banks. I do not say that that is not desirable. I do not say that it perhaps will create an unfavorable condition. But I did want to bring to the attention of the Senate the fact that under that section it is possible for a national bank to buy up a State bank and have a great number of branch banks, perhaps to the detriment of some other national bank which has not bought up a State bank and thereby attained possession of a large number of branches.

Mr. McLEAN. Mr. President, will the Senator yield?

Mr. PEPPER. I yield.

Mr. McLEAN. After a State bank gets into the national system they can create no more branch banks, except in the large cities; so that it is rather a limitation after they come in.

Mr. COUZENS. I understand it is limited to the municipality or the city wherein the parent company exists.

Mr. GLASS. Mr. President, may I again state to the Senator from Michigan that just the thing he cites may be done now under the national bank act.

Mr. COUZENS. I do not understand that a national bank now may establish branches.

Mr. GLASS. It may not establish branches, but it may purchase a State bank which has established branches, and retain those branches.

Mr. COUZENS. But only as a holding company and not as a direct branch of the parent company.

Mr. PEPPER. I think the Senator from Michigan is mistaken. Ever since 1865 it has been possible for a national bank to acquire by consolidation a State bank, and if that State bank had branches at the time of the consolidation, to retain them, and they become the out-and-out property of the resulting body.

Mr. COUZENS. Simply by stock holding. Is not that correct?

Mr. PEPPER. No, Mr. President. The process is out-and-out consolidation.

Mr. COUZENS. That is not my understanding. I know in my State they have bought up the stock of a State bank and held the stock and maintained a separate bank.

Mr. GEORGE. That is true; they become the outright branches of the national bank through the consolidation with the State bank, irrespective of the location of the branches.

Mr. PEPPER. That is correct. We are dealing now, not with the process of acquisition of stock ownership and resulting control, but we are dealing with the subject of out-and-out consolidation or conversion, and under the existing law the fact is—and I am sure the Senator from Michigan will find it to be so when he refreshes his recollection—that a national bank consolidating into itself a State bank with branches, may retain those branches with the same force and effect as if it had been authorized to establish them itself. Those branches may be branches existing anywhere under the law of the State in which the State institution is located.

Mr. GLASS. Whereas under the bill now pending, they may not exist anywhere hereafter except within the locality of the parent bank.

Mr. PEPPER. That is true with regard to branches hereafter established.

Mr. GLASS. That is what I said.

Mr. PEPPER. But if the banks exist as offshoots from a State bank, and they exist anywhere in the State, a consolidation may hereafter be effected with a national bank and those up-State branches can be maintained by the consolidated association.

Mr. President, if our first subsection dealt, as it did, with the presently existing branches of national banks, and if our second subsection dealt, as it did, with the consequences of the consolidation in the future or conversion in the future as between a national bank and a State institution having branches, the way is open for the consideration of the third possibility,

the third contingency, which is this: What may a national bank, which has no branches to-day and which is not proposing to consolidate with a State bank having branches, do to-morrow or after the passage of the bill in the way of establishing new branches? That is the subject that is dealt with in the third subsection:

A national banking association may, after the date of the approval of this act, establish and operate new branches within the limits of the city, town, or village in which said association is situated if such establishment and operation are at the time permitted to State banks by the law of the State in question.

In other words, the scheme of the bill is to authorize national banks to stand on a footing of equality of opportunity with State banks so far as concerns branches within the limits of the city, town, or village in which the parent institution is established, and to extend that equality of opportunity to the future as well as to the present, so as to cover the case in which a State which does not now permit its institutions to have branches may hereafter give such permission; and that in the case in which permission is hereafter given by a State to its own institutions to have branches, a national bank in that State may take advantage of the permission thus given so far as concerns the territory included within the limits of the city, town, or village in which the parent is situated.

Right here we come to the feature of the bill which is causing the greatest amount of discussion and the widest range of difference of opinion. In the House the following view prevailed: The House took the view that if the law of the State, as it stands at the date of the approval of this bill, permits State institutions to establish branches, then it would be proper to permit national banks to establish and maintain branches under the bill within the limits of the city, town, or village; but the House was of opinion that in the case of a State which does not, at the date of the passage of this bill, permit its own institutions to have branches, but which hereafter gives that permission by a change in its legislative policy, that national banks under the terms of this bill ought not to be permitted to avail themselves of that future change of policy in the State.

The effect of the so-called Hull amendment is that if, in the State of Pennsylvania, for example, which does not permit State institutions to have branches, a law were to be passed three years from now authorizing State institutions to have branches, the national banks in Pennsylvania could not take advantage of that change of policy by reason of the accidental circumstance that the change was inaugurated after the date of the passage of this bill instead of before it. It has seemed to the committee that to make any such iron-bound provision, crystallizing or freezing the situation as of the date of the passage of the bill, was an unreasonable restriction by Congress on the liberty and action of the State.

There are many minds on the subject of branch banking. I personally am strongly opposed to state-wide branch banking. Just as strongly I am in favor of branch banking within the limits of a municipality. But it seems clear to me that a national bank ought to be permitted to establish a branch within the limits of its own municipality if the State law permits the State institutions to do that thing, irrespective of the date of the enactment of the State law; that there is no logic or reason or sound philosophy in a provision which would give to a national bank, in a State which to-day authorizes State institutions to have branches, authority to establish and maintain a branch within the limits of its own municipality and which would deny a similar privilege to another national bank in the State across the river which indeed authorizes its own institutions to do that thing in question, but gives that authority a little after the date of the passage of this bill instead of a little before it.

The principle upon which we are working is that of giving equality of opportunity to National banks and State banks in the matter of branches within the limits of the municipal area in which the parent national bank is established. Why should we not carry that principle to its logical conclusion and make the determining fact the policy of the State at the time that the national bank wishes to establish a city branch instead of inquiring into the mere question of priority of dates when the State policy was inaugurated?

We have had a great many telegraphic and written protests from able and experienced bankers of the country protesting against the amendment proposed by the Senate committee and incorporated in the bill, which gives that elasticity in the particular I have specified. From the tenor of these communications I am led to believe that most of those who sent them have not clearly understood the effect of the amendments against which they protest. I have yet to find anyone who will

sit down calmly and face the situation as between Congress and a legislating State who will not admit that there is something entirely unreasonable in asking that a national bank, we will say, in the city of Philadelphia may not take advantage of the authority given by this bill to put itself on a footing of equality with State banks having branches in the city of Philadelphia merely because the State of Pennsylvania gives the State banks that authority after the date of the approval of this bill instead of before this bill is enacted into law.

Mr. McLEAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Connecticut?

Mr. PEPPER. I yield.

Mr. McLEAN. If the so-called Hull amendment were adopted would it not be probable, if not inevitable, that many of the national banks now in the system would be compelled to retire and take advantage of the State privileges, and is it not our purpose and should it not be our purpose to so sustain and maintain the Federal reserve system and the national banking system that we may invite State banks into the system and keep the national banks from retiring therefrom?

Mr. PEPPER. Undoubtedly, Mr. President. The question of the Senator from Connecticut draws attention to a policy that is vital. Indeed, the occasion for the legislation is the danger that an increasing number of national banks will withdraw from the system if they are denied a reasonable liberality of action in the matter, when they can get from well-considered State legislation the benefits which we are thinking of denying to them. It would be most unfortunate in the judgment of the committee if we were, by making an arbitrary and it seems to me an unreasonable restriction, to defeat the primary purpose of the legislation.

Mr. EDGE. Mr. President—

Mr. PEPPER. I yield to the Senator from New Jersey.

Mr. EDGE. I simply desire to supplement the Senator's suggestion. As I follow the protests, if we may call them protests, they are mostly predicated on a fear that if we are consistent—that is, if we do permit the same consideration in the future as was proposed by the House bill in the past—we might endanger the passage of the legislation. In other words, they frankly admit by inference that they do not oppose this consistency, but they desire the legislation so earnestly that if it should in any way endanger it they would prefer to have half a loaf than no loaf. I have not seen any objection except that it is better to take half a loaf than to have the legislation defeated.

Mr. GLASS. In other words, the contention has been that the Senate ought not to do the right thing for fear the House would not concur?

Mr. EDGE. Yes; and they would not get more than half the privilege they would like to have.

Mr. GLASS. I assume the Senator from Pennsylvania will cover the point I am now about to suggest. Not only will national banks located in States which do not now permit branch banking be perpetually denied the right to establish branches, but the State institutions in those States which do not now permit branch banking, but which may hereafter permit branch banking, will practically be denied the right to avail themselves of the privilege of their own State statute by being excluded from the Federal reserve system in case they determine to do that thing.

Mr. PEPPER. The Senator from Virginia is right in thinking that it is my intention to address myself to that phase of the subject which has to do with the ninth section of the bill dealing with the relation of the subject of branch banking to membership in the Federal reserve system. But at the present time I want to make as clear as I can the thought that we are dealing with amendments to the national banking act and that so far we have dealt with the branches of the national banks as they at present exist; second, with branches of State banks brought into the national banking system through consolidation or conversion; and, third, by future establishment of branches which, under the terms of the third subsection, can take place only where a State law permits and only within the limits of the municipality in which the parent is situated. The controversy over the Hull amendment relates only to the date of such permission.

Mr. OVERMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from North Carolina?

Mr. PEPPER. I yield.

Mr. OVERMAN. I understand that the Senator does not propose to legislate in regard to State banks, except when they go into the national banking system. Am I correct about that?

Mr. PEPPER. I take it that we can impose the terms for conversion into a national bank or consolidation with a na-

tional bank, or we may impose terms, if we think it wise to do so, upon membership of a State institution in the Federal reserve system, even if it retains its identity as a State institution. The three cases that I have put are those which, I think, exhaust the logical possibilities of the establishment of branches so far as amendments to the national banking act are concerned.

It now becomes important to consider the very unusual case of a national bank which to-day maintains a branch or more branches than one, such branches having been established at a time when the State in which the bank is situated permitted the establishment of branches but which State law has since been abrogated. We have the curious situation of a national bank having a branch which is valid to-day because it was valid when established, while no other national bank in the same area can establish a branch because in the interval the State has withdrawn its permission for the establishment of branches by institutions organized under its laws.

Mr. COUZENS. Mr. President, will the Senator from Pennsylvania yield to me?

Mr. PEPPER. I yield.

Mr. COUZENS. Will the Senator from Pennsylvania say what made those banks valid at the time they were established, aside from the fact that branch banks were permitted in the particular State? Was there merely an arbitrary opening of branch banks, or was it done by the approval and consent of the Comptroller of the Currency?

Mr. PEPPER. Mr. President, it is a little hard for me to answer that question because, in the particular case which I have in mind affecting the banks in Minneapolis and St. Paul, a difference of opinion arose between counsel and bankers as to what the limits of the law were at the time those branches were established. I understand the branches were established in Minneapolis in the belief that they were legal and were not established in St. Paul because of the advice that they were not legal.

Mr. COUZENS. Mr. President, will the Senator yield further?

Mr. PEPPER. I yield.

Mr. COUZENS. I should like to ask at that point, did the Comptroller of the Currency take any action when these branches were opened in Minneapolis?

Mr. PEPPER. I am informed, Mr. President, that the branches to which reference has been made were opened under the advice of counsel by the banks themselves without any action on the part of the Comptroller of the Currency.

Mr. SHIPSTEAD. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Minnesota?

Mr. PEPPER. I yield to the Senator from Minnesota.

Mr. SHIPSTEAD. The Senator from Pennsylvania in opening his remarks on this particular part of the subject said something about national banks having branches that had been established at a time when branch banks were permitted to operate within a State, but that the laws of the State had since been so changed that they do not now permit the establishment of branch banks.

Mr. PEPPER. If I may interrupt the Senator just for one moment. The Senator has called attention to a confusion in my remarks. I am very much obliged to the Senator for doing so. The case of the Minnesota banks is not one that has to do with a change of legislative policy. The case was accurately stated in the interchange which just took place between the Senator from Michigan [Mr. Couzens] and myself. There is another State which I had in mind when I began my statement where the statute authorized State banking institutions to establish branches, and advantage of that was taken by national banks to establish similar branches, but that State has repealed that statute and has left a national bank with a branch that was established at the time when the State policy was favorable to branches, and that branch bank continues to exist, although the State policy has been changed.

Mr. SHIPSTEAD. I desire to ask the Senator just one more question in order to clear up the situation. I believe that the Comptroller of the Currency has ruled on the legality from the standpoint of the present law of branches operating in Minneapolis, for, if I am correctly informed, he has requested them to comply with the law by reorganizing either as National or State banks. Can the Senator inform me whether or not I am correct as to that?

Mr. PEPPER. My information is that there has been something in the nature of negotiation or conversation between the banks in question and the office of the Comptroller of the Currency, but the thing has not reached a head. There has been no formal ruling by the Comptroller of the Currency.

Mr. SHIPSTEAD. The Senator, then, does not hold that these branches are operating legally because of the fact that the laws of the State did not specifically prohibit branch banks at the time those branches were established?

Mr. PEPPER. No, Mr. President, I wanted to be sufficiently balanced in my statement to make it possible for the Senator from Minnesota to be all right in St. Paul and also in Minneapolis. His position is perfect in either place so far as any statement of mine is concerned. [Laughter.] No, I have not undertaken to pass on the question of the legality of what was done or of the wisdom of what was left undone. I merely call attention to the fact that at a certain time in history national banks in Minneapolis established branches no doubt in the good-faith belief that they were doing something legal, although they had not the sanction of the Comptroller of the Currency. At the same time it was decided by the banks in St. Paul that they could not legally do that thing. Therefore we have a situation to-day which calls for some kind of treatment. We must do one of the following things: We must either let the law be so framed that the banks in Minneapolis can keep the branches which they have, but that no other national banks in Minneapolis can enjoy the same privilege even in that city, leaving the banks in St. Paul without branches at all, or we must cut off by a surgical operation the branches of the Minneapolis banks that now exist and force equality between the Twin Cities in that regard, or we must let the present banks that have branches in Minneapolis, the other Minneapolis national banks that want to acquire them, establish branches in the city and confer a similar authority upon the banks in St. Paul. One of those three things, it seems to me, we will have to do.

Mr. SHIPSTEAD. Mr. President, does the Senator have in mind this plan as a remedy, namely, that the banks of Minneapolis that are now operating branches contrary to law may have the alternative of reorganizing those branches according to law by putting capital in them and operating them as independent units?

Mr. PEPPER. Mr. President, I was thinking only in terms of the regulation of branch banks. I was not thinking of possible business or intercorporate arrangements by which the same object could be accomplished in another way. It is true, of course, that a national bank or any other bank maintaining branches may cause those colonies to become independent to some extent of the mother country, while at the same time retaining a protecting control through stock ownership or otherwise, but in that event we will be dealing with chain banking rather than with branch banking.

Mr. SHIPSTEAD. Under this proposed law what remedy does the Senator think is afforded for that situation? What will be the effect of this bill upon it?

Mr. PEPPER. If this bill should become a law, and if we are to think exclusively in terms of the "Twin City" situation, it would follow that the situation in St. Paul would remain unchanged and no branches could be established there, but that in Minneapolis national banks not having branches to-day could establish them to the number that such branches are maintained by Minneapolis banks that now operate branches.

Mr. EDGE. That is covered by subsection (d), which the Senator has not yet reached.

Mr. PEPPER. That is covered by subsection (d), which I had reached in the order of my presentation.

Mr. SHIPSTEAD. Is that the sentiment of the Committee on Banking and Currency of the Senate?

Mr. PEPPER. Mr. President, I think I can say that that does not represent the matured judgment of the committee in its application to this particular case. The case which the committee had in mind when this amendment was framed was the case to which I referred awhile ago, where a law under which existing branches had been established had been abrogated, and the committee thought in that kind of a case the branches ought to be permitted to the banks that had not heretofore established them, so as to give equality of competitive conditions between the banks in the same city. I think I am right in saying that the particular case of St. Paul and Minneapolis was brought pointedly to our attention after this particular amendment was framed. I think that when we reach the amendment stage of the discussion of this bill it will be entirely in order to consider some modification of what is here proposed; indeed, personally I think that there ought to be some modification.

Mr. LENROOT. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Wisconsin.

Mr. LENROOT. I might say that the city of Milwaukee is in the same position as is the city of Minneapolis. If the amendment as proposed should be adopted, it will permit the estab-

lishment of 16 additional branches in the city of Milwaukee. There is very great protest against that from my city.

Mr. PEPPER. I realize, Mr. President, the seriousness of the situation to which the Senator from Wisconsin calls attention. I repeat what I said a moment ago, that I think when we reach the amendment stage it will not only be desirable but highly desirable that this particular subsection be modified in such way as the Senate may approve.

Mr. LENROOT. Will the Senator yield once more?

Mr. PEPPER. I am glad to yield to the Senator from Wisconsin.

Mr. LENROOT. Did not the Missouri case settle the question of the legality of branch banks in all the States where the States have prohibitory laws against them?

Mr. PEPPER. I am not able from memory to answer that question. I will avail myself of the presence of the Deputy Comptroller of the Currency to make an inquiry of him on that subject. [A pause.] I am informed, Mr. President, that the decision in question fixed the status of branches established de novo, but did not deal with the legality or illegality of preexisting branches, branches already established.

Mr. LENROOT. Yes; but as I recollect the decision, the same thing was involved; that is, if they were contrary to State law when established there was no authority under the Federal law to establish such branches and the State would have the right to bring an action. In the particular case the branch was established de novo, but the same principle would apply, I think, in other cases.

Mr. PEPPER. I believe that is true. I was merely calling attention to the fact that the case in point was one affecting the establishment of a new branch.

Mr. KENDRICK. Mr. President—

The PRESIDING OFFICER. Does the Senator from Pennsylvania yield to the Senator from Wyoming?

Mr. PEPPER. I yield.

Mr. KENDRICK. I was not privileged to hear all the Senator's statement, otherwise the question which I am about to ask might not be necessary. However, as I understand the provisions of the bill, a national bank is not permitted to establish a branch bank outside of the municipality in which the parent institution is located?

Mr. PEPPER. That is true, Mr. President, subject to one modification to which I shall presently call attention; but, speaking generally, no authority is given by this bill to establish a branch of a national bank save within the limits of the municipal community in which the parent is situated.

Mr. KENDRICK. Would a national bank be permitted under this bill to purchase and operate banks already established in other parts of the State as branch institutions?

Mr. PEPPER. Mr. President, this bill makes no change in the existing law on that subject. If the bank at present has the right to acquire the stock of a distant bank and to operate that bank through stock ownership, this bill does not affect its right in that particular. This bill deals only with what are recognized as branches.

Mr. KENDRICK. Under that situation would not the original limitation be entirely useless? Would it not be quite consistent and possible for a national bank that so desired to buy up and operate as many banks already established as it desired?

Mr. PEPPER. Mr. President, we have not undertaken in this measure to change the existing law in regard to the holding by one corporation of stock in other corporations. We are dealing only with the branch-banking problem. Those, as I think the Senator recognizes, are entirely distinct subjects. The disadvantage of branch banking, from the point of view of those who oppose it, is that you are creating a system of absentee banking by which the corporate officers at a given metropolitan center will determine the transactions and policies of distant branches, which are merely scattered offices of the principal institution. The other problem contemplates the maintenance of separate and distinct corporate organizations wherever they happen to be located, and the only nexus or tie to the principal institution is that of voting control through stock ownership. That thing we leave as it stands under the law. We are not attempting to change it. If that is an evil, it must be dealt with by a different scheme of legislation.

Mr. KENDRICK. Mr. President, I believe that that feature of the situation to-day is one that is giving the bankers of the West more apprehension in connection with this bill than any other provision or lack of provision of the bill.

Mr. PEPPER. Mr. President, I agree with the Senator that the situation to which he calls attention is a most serious one. I think the whole subject of chain banking needs to be care-

fully studied, and that possibly there ought to be legislation with respect to it; but I submit that we have an adequate problem for consideration when we deal with branch banking as such, and that perhaps it is just as well not to complicate a reform in one field by simultaneous consideration of a very difficult problem in a slightly different field.

Mr. FESS. Mr. President, will the Senator yield?

Mr. PEPPER. I yield to the Senator from Ohio.

Mr. FESS. Was the committee able to clear up our Cleveland situation?

Mr. PEPPER. I am coming to that, Mr. President. That is the subject which I had in mind when, in answer to the first question of the Senator from Wyoming, I said that speaking generally there was a limitation of the right of establishing branches to the boundaries of the municipality, but that there was a specific modification of that in a subsequent clause of the bill. I am coming to that presently.

Mr. LENROOT. Mr. President—

Mr. PEPPER. I yield to the Senator from Wisconsin.

Mr. LENROOT. My question is upon the same point; but, with reference to the query of the Senator from Wyoming and the reply of the Senator from Pennsylvania that this measure dealt only with branch banking, I should like to ask him with regard to the provision about interlocking directorates. It seems to be quite a substantial modification of existing law and does give the opportunity for control of separate banks, wholly irrespective of branch banks.

Mr. PEPPER. Yes; it does, Mr. President, and that is a great and serious question which in our orderly progress we will come to a little later in the bill. If the Senator will permit me, I will postpone further comment upon that until we reach it.

Mr. LENROOT. Very well.

Mr. PEPPER. I shall not weary the Senate by discussing at any length the next subsection, which merely fixes the limits of population in accordance with which the Comptroller of the Currency may determine whether or not a branch is to be permitted under the terms of the act. Instead of having an unrestricted right to establish branches within the limits of a city, regard must be had to the population of the city, and a relation is fixed between the size of the population and the number of branches.

We come, then, to the case that the Senator from Ohio has in mind, and it is a very difficult case to deal with.

Suppose you have a metropolitan area, if I may use that term for want of a better one, which is somewhat larger than the technical corporate boundaries of the city in which the parent bank is situated. Suppose that as an economic and social matter the boundary is nonexistent; that it is only a political boundary; that for business purposes the city is much larger than its limits. Shall we be rigid and permit the establishment of branches only within the political limits as defined by law or shall we allow the establishment of branches within that metropolitan area which in fact exists?

Mr. FESS. If the Senator will permit an interruption—

Mr. PEPPER. I shall be glad to yield.

Mr. FESS. The population of the city of Cleveland proper is about 700,000; and then Lakewood, which is a city of 47,000, is virtually a part of the city of Cleveland. You can not tell where one leaves off and the other begins; and the same thing is true of East Cleveland, a city of about 27,000, and of Cleveland Heights. They have been much concerned about whether under the circumstances a branch could be located in any one of these divisions of the city.

Mr. PEPPER. Mr. President, it is exactly as the Senator from Ohio has said; but let me call his attention and the attention of the Senate to the fact that it is no easy matter to relieve such a situation as he has in mind, because in some other localities that I could mention there is the greatest feeling of apprehension on the part of the suburban institutions lest the metropolitan banks should invade their suburban area and interfere with their business and make them all in the end subject to metropolitan control. So it has seemed to the committee that some such provision as that which we recommend is worthy of the consideration of the Senate as a solution of that difficult problem.

We provide in the next subsection as follows—

Mr. SHIPSTEAD. On what page?

Mr. PEPPER. On page 14, subsection (f) of section 7:

In cases in which, under the provisions of this section, a national banking association is authorized to establish a branch or branches within the limits of a city, town, or village, the Comptroller of the Currency shall have the discretionary power to authorize the establishment and operation of such branch or branches beyond the boundaries of said city, town, or village as strictly defined by law; but only

within the same metropolitan area as that in which the parent bank is situated: *Provided, however,* That he shall in no case authorize such establishment and operation except within the territory of a city, town, or village the corporate limits of which at some point coincide with the corporate limits of the city or town in which the parent bank is situated, when in his discretion he shall determine, after public hearing, that the banking needs of the inhabitants of said contiguous and urban territory require the establishment of such branch or branches; but no branch shall be established under the authority of this section in any part of a State to which right of State banks, under the State law, to establish branches does not extend.

Mr. COUZENS. Mr. President—

Mr. PEPPER. If I may continue just a moment, Mr. President, in other words, the limitation to the boundaries of the city stands as being a limitation to the political boundaries unless the action of the Comptroller of the Currency enlarges the area; and there are definite limitations on his authority to enlarge it. First, he can include only urban territory which is actually contiguous, and that does not include country-wide branch banking. It has to be of a town or village or city which is contiguous, and it has to be only when he has found, after public hearing, that the banking needs of the contiguous territory will be well served by the branches; and, finally, there can be no such establishment unless the State laws permit a similar thing to be done by State banks.

Mr. FESS. Mr. President, will the Senator yield for a further question?

Mr. PEPPER. I will yield to the Senator from Ohio in one moment. I had previously agreed to yield to the Senator from Michigan.

Mr. COUZENS. Mr. President, I think the Senator modified his statement in his last remark. Do I understand that the provision the Senator has just read is not applicable unless the State allows the same thing to be done?

Mr. PEPPER. Yes, sir. The language is this, Mr. President—

but no branch shall be established under the authority of this section in any part of a State to which right of State banks, under the State law, to establish branches does not extend.

Mr. COUZENS. May I ask the Senator what was the purpose of putting that exception in the bill?

Mr. PEPPER. It is not exactly an exception, Mr. President; it is a limitation.

Mr. COUZENS. Well, it is an exception.

Mr. PEPPER. The thought was that in some States the right to establish branches is limited to the city in which the parent exists. The committee thought that a national bank ought not to have a greater branch-banking privilege in that city than the State bank; and if the State law stops with the limits of the municipality as strictly defined, then the Comptroller of the Currency has no right to allow a national bank to put a branch into the urban territory beyond.

Mr. COUZENS. That is perfectly plain in the bill, is it? It is understood?

Mr. PEPPER. We have tried to make it plain. I do not think we have any pride of opinion about our phraseology.

I now yield to the Senator from Ohio.

Mr. FESS. Mr. President, the Senator's answer to a concrete question will give me what I want. Under the bill could the parent bank in the city of Cleveland establish a branch bank in Lakewood, provided the Comptroller of the Currency would permit it after a public hearing?

Mr. PEPPER. Mr. President, my answer is "yes." I give that answer upon the assumption, which I think is well grounded, that under the State law a State bank in Cleveland could establish a branch within that zone.

Mr. FESS. That is the assumption upon which I am going.

Mr. PEPPER. Upon that assumption, my answer to the Senator's question is that a national bank in Cleveland could establish in the territory that he has specified a branch, provided the Comptroller of the Currency after a public hearing finds that such a thing is necessary to give banking facilities to that community.

Mr. FESS. And the parent bank could establish a branch bank within the limits of the same city, not in urban territory, but within the limits, under the terms of the bill, without the approval of the Comptroller of the Currency. That is the distinction, is it not?

Mr. PEPPER. Yes; that is the distinction, saving this, that within the limits of the city proper, as strictly defined by law, where the population exceeds 100,000, the number of branches that can be established is subject to the discretionary control of the Comptroller of the Currency.

Mr. FESS. If the Senator will permit, I think that is the solution of a very complicated problem that has been the source

of a tremendous amount of opposition in Ohio to the legislation. It appears to me that the bill has removed that objection, so that there is a possibility of establishing a branch, provided the authority, after public hearing, should be convinced that it is justified.

Mr. COPELAND. Is there not another proviso, that that urban territory must be, in its corporate boundary, contiguous to the city where the parent bank is?

Mr. FESS. Yes; that is the case I mentioned; and we have another one in Cincinnati, where the town of Norwood is entirely surrounded by the city limits of Cincinnati, and yet it is a separate municipality.

Mr. PEPPER. There is one correction I wish to make in a statement I made to the Senator from Ohio a moment ago. I referred to the discretionary right of the comptroller to determine the number of branches with reference to population in cities of over 100,000. I should also have called attention to subsection (g), which does give the Comptroller of the Currency a pretty wide discretion over the whole question of branch banking, even within the limits of cities, because it is here provided:

No branch of any national banking association shall be established or moved from one location to another without first obtaining the consent and approval of the Comptroller of the Currency.

Mr. COPELAND. Mr. President, certainly that is a very wise provision, as I see it. Somebody ought to pass upon the propriety of establishing a branch, and the proper official to do it is the Comptroller of the Currency.

Mr. GLASS. As a matter of fact, the comptroller has complete discretion in the matter of establishing a national bank.

Mr. COPELAND. And he should have also as regards the branches of that bank.

STORAGE OF WATERS OF THE PECOS RIVER

Mr. SHEPPARD. Mr. President, I would like to submit a request for unanimous consent, and if it leads to discussion, I shall withdraw it. I ask unanimous consent for the consideration of House bill 3862, to provide for the storage of the waters of the Pecos River. It authorizes the Secretary of the Interior to construct an irrigation project on the Pecos River.

Mr. CURTIS. I do not like to object, but I told several Senators that there would be no business transacted this afternoon except the consideration of the banking bill, and an executive session. I would like to have this bill go over until Senators now absent can be here, because some of them might object to it.

Mr. WILLIS. Mr. President, if the Senator will yield to me, I was about to suggest that we might have some understanding as to when there would be a calendar day. Probably that would help out the Senator from Texas.

Mr. CURTIS. If possible, I want to have a consideration of the calendar day after to-morrow. I want the Senate to take a recess to-night, and to get through with the debt settlement bills to-morrow; then to take an adjournment to-morrow, so that we may have a morning hour and the consideration of the calendar on Thursday.

Mr. WILLIS. Would not that arrangement satisfy the Senator from Texas?

Mr. CURTIS. Mr. President, I withdraw my objection to the request of the Senator from Texas.

The PRESIDING OFFICER (Mr. LENROOT in the chair). The Senator from Texas asks for the immediate consideration of House bill 3862, to provide for the storage of the waters of the Pecos River. Is there objection?

Mr. JONES of Washington. The Senator from New Mexico [Mr. BRATTON] asked me to have the bill go over, if we should reach it on the calendar.

Mr. SHEPPARD. Does the Senator object?

Mr. JONES of Washington. I have to object on behalf of the Senator from New Mexico. He desired that the bill should go over. I have no objection myself.

Mr. SHEPPARD. Unanimous consent had been given for the consideration of this bill.

Mr. CURTIS. I withdraw my consent, because I assured two or three Senators that there would be nothing done this afternoon except the consideration of the banking bill and an executive session.

AGRICULTURAL RELIEF LEGISLATION

Mr. SHIPSTEAD. Mr. President, the morning papers state that there has been an agreement made for the adjournment of Congress on the 15th day of May. I am wondering if the steering committee has made any arrangement for a time when the agricultural bills may be taken up for consideration?

Mr. CURTIS. Mr. President, no agreement of any kind or character relating to adjournment has been made, and no one

was authorized to make any such statement. I stated to the Senate the other day that the agricultural bill had not been reported and was not on the calendar at the last meeting of the steering committee. I am not a member of that committee, but I happened to attend the last meeting. I have the assurance of the chairman of the committee that the agricultural bill will be taken up for consideration at the next meeting of the steering committee, which we hope will be this week.

HOUSE BILL REFERRED

The bill (H. R. 5823) to amend the Code of Law for the District of Columbia in relation to the qualifications of jurors was read twice by its title and referred to the Committee on the District of Columbia.

MUSCLE SHOALS

Mr. HEFLIN submitted an amendment intended to be proposed by him to the bill (S. 4106) to authorize and direct the Secretary of War to execute a lease with the Muscle Shoals Fertilizer Co. and the Muscle Shoals Power Distributing Co., and for other purposes, which was ordered to lie on the table and to be printed.

CIVIL SERVICE RETIREMENT

Mr. STANFIELD. I ask unanimous consent to have printed in the RECORD at this point a memorandum from the Director of the Bureau of the Budget on proposed changes in the civil service retirement annuity bill now pending.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

BUREAU OF THE BUDGET,
Washington, April 23, 1926.

Memorandum for the President

Bill H. R. 7 and S. 786, both of which propose amendments to the act for retirement of employees in the classified civil service, provide certain changes from existing law with respect to the ages of retirement, increase the maximum annuity to \$1,200 per annum, provide for a deduction of 4 per cent from the employees salary, and provide for the computation of the annuity with a divisor of 40. Neither of the bills contains specific authority for the submission of estimates for financing the fund.

I recommend that you give favorable consideration to a bill which will—

(a) Make no change in the retirement ages now prescribed by law, namely, 70, 65, and 62, with an extension period of 4 years for each class.

(b) Limit the maximum annuity to \$1,000.

(c) Provide for a deduction of 3½ per cent from employees salary.

(d) Provide for the computation of the annuity with a divisor of 48.

(e) Provide authority for submission of estimates to finance the fund by amending existing law so as to read:

"The Secretary of the Interior shall submit annually to the Bureau of the Budget estimates of the appropriations necessary to finance the civil-service retirement and disability fund and continue this act in full force and effect."

This amendment would make unnecessary any prescription in the law definitely defining how the fund is to be amortized, and would leave the matter of amortization for recommendation by the President to Congress in the Budget.

The Board of Actuaries has estimated \$17,815,930 as the annual cost to the Government of the existing law, upon the basis of amortizing accrual liabilities over a period of 30 years. The information which I have would indicate that, upon the same basis of amortization, the annual cost of the plan above recommended will not exceed that figure.

The above recommendation deals with the basic features of the retirement proposals which relate to the cost of retirement. It does not consider other less important provisions of either H. R. 7 or S. 786 proposing changes in existing law that relate chiefly to administrative features.

H. M. LORD,

Director of the Bureau of the Budget.

PACIFIC BRANCH, NATIONAL HOME FOR DISABLED VOLUNTEER SOLDIERS

Mr. WADSWORTH. From the Committee on Military Affairs I report back with an amendment to the bill (S. 3921) authorizing and empowering the Board of Managers of the National Home for Disabled Volunteer Soldiers to sell and grant approximately 160 acres of land owned by it at the Pacific Branch of said the National Home for Disabled Volunteer Soldiers; to receive the proceeds from said sale and disburse the same for the erection of additional fireproof barracks and other improvements upon the site of said Pacific Branch of the National Home for Disabled Volunteer Soldiers, and I ask unanimous consent for its present consideration.

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill.

The amendment of the Committee on Military Affairs was, in section 1, page 1, line 5, after the word "grant," to insert "to the county of Los Angeles, State of California," so as to make the bill read:

Be it enacted, etc., That the Board of Managers of the National Home for Disabled Volunteer Soldiers hereby are authorized and empowered to sell and grant to the county of Los Angeles, State of California, for a sum not less than \$1,000,000 cash, the following real property owned by said the National Home for Disabled Volunteer Soldiers: Being a tract of land lying and being situated in the county of Los Angeles, State of California, and being all the real property owned by said the National Home for Disabled Volunteer Soldiers lying east of Sepulveda Boulevard and south of the Soldiers' Cemetery, in said county and State, and comprising approximately 160 acres of land, reserving the use of the wells and pipe lines now established on said 160 acres and used by the Pacific Branch of the National Home for Disabled Volunteer Soldiers in the operation of its plant.

SEC. 2. The Board of Managers of the National Home for Disabled Volunteer Soldiers hereby are authorized and empowered to receive the proceeds of said sale and to disburse the same for the erection of additional fireproof barracks and other improvements on and at the Pacific Branch of the National Home for Disabled Volunteer Soldiers, located at Sawtelle, city of Los Angeles, county of Los Angeles, State of California.

The amendment was agreed to.

The bill was reported to the Senate as amended, and the amendment was concurred in.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

HOME LOAN BANKS

MR. PEPPER. Mr. President, I hold in my hand a copy of a very excellent radio speech made in New York recently by the Senator from Oregon [MR. STANFIELD] on the subject of home-loan banks. I am sure that it will be interesting to Senators, and I ask unanimous consent that it be printed in the RECORD.

There being no objection, Senator STANFIELD's radio address was ordered to be printed in the RECORD, as follows:

To my unseen friends it is my privilege to-night, through the courtesy of station WMCA, to broadcast a message concerning the greatest of all institutions in the history of the world, the home.

My message, however, deals with the home as an American institution, its relation to our Government, and the relation of our Government to the home.

The constantly decreasing ranks of home owners in our great Republic in proportion to the constantly increasing population and national wealth is indeed cause for concern. The fact that but a small percentage of our American families to-day own the houses they occupy inspired me to introduce in the United States Senate a bill known as the national home loan bill, providing the machinery for the creation and operation of national home loan banks.

To-day the United States, the richest Nation in the world, possessed of a wealth in gold and resources in excess of that of any other government in the history of nations, is confronted by a real problem, and actually approaching a crisis. A large majority of our salaried or wage-earning people are mere tenants, and only a small per cent own the houses in which they reside.

To meet the growing demands of commerce and industry and of our financial institutions Congress evolved the Federal reserve system, and thereby provided a more liberal and practical system of credits and exchange. The Federal reserve bank notes, issued on the basis of physical value, serve every purpose that gold, silver, gold or silver certificates, United States and national bank notes, or any other kind of national currency services. The Federal Reserve Board is not limited in the issuance of reserve bank notes, and it may supply all the funds required by commerce and industry at a low rate of interest. The business judgment of the Federal Reserve Board is the only governing factor in the matter of credit extension or the issuance of reserve bank notes.

Our Government next came to the rescue of agriculture by the creation of a Federal farm loan bank system. The farmer has been able, through this system, to refund his land loans and refinance on more favorable terms and at lower rates of interest, while the Federal land banks are able to secure all the necessary funds by selling interest-bearing bonds secured by the hypothecation of farm mortgages. This system as first established was broadened and extended by providing for intermediate credit banks. Thus has agriculture been relieved in its financial requirements, and provided with a channel through which it can secure long-time loans and intermediate-time loans, with lower interest charges upon both real estate and chattels.

In the few years that have elapsed since the creation of the Federal land bank and the joint stock land bank, these institutions have loaned throughout the United States on agricultural lands approximately

\$2,000,000,000. These loans have been a boon to the individual borrower and to national business alike.

The creation of national home loan banks, under the provisions of the proposed bill, would provide the machinery for the financing of residential property investment along much the same general line as that provided for farm property under the provisions of the land-bank system, and thereby bring the possibility of home ownership more nearly to the door of every city dweller in the land. It would eliminate from home financing all unjust and excessive charges, and abolish the system of carrying interest upon the entire principal to the date of the last payment, as now practiced by some loan associations. By the low-interest rate provided, it would furnish an incentive and create in the heart of every working man and woman the ambition to own the house in which they dwell. It would provide the easiest possible terms upon which a home could be purchased consistent with sound business.

The enactment of a law providing for the creation and supervision of banks to make loans on improved residence property would meet a necessity as great as that which brought about the creation of the Federal reserve system and the land and intermediate credit banks. It would be the first recognition by the Congress of the United States of the man in town—the man who works in the factory, the shop, the store, or the bank—the man who absorbs transportation and distribution costs; the man who pays and pays and pays, and whose case is generally dismissed with the admission that he is the "ultimate consumer."

The proposed bill would create in the Treasury Department a national home loan board composed of the Secretary of the Treasury and four commissioners to be appointed by the President of the United States, by and with the advice and consent of the Senate. This board would be vested with power to organize and charter national home loan banks and to exercise general supervisory and regulatory powers thereover. These banks may be organized with not less than 10 natural persons, and with a capital, subscribed and paid in, of not less than the capital required of national banks organized under the national banking act as amended. They may make loans upon improved residential real estate, issue and sell bonds and real-estate mortgages. They will be subject to the same supervision, regulation, and inspection as is exercised by the Government over the commercial national banks and the Federal farm loan banks. Loans would be authorized when secured by mortgages that are first liens on residential real estate occupied or to be occupied by the borrower. These loans may be made for an amount not in excess of 60 per cent of the value of the land and the permanent, insured improvements, but shall in no case exceed \$10,000. It is the purpose and intent of this provision to care for those who need such benefits—the man who requires from \$500 up to \$10,000.

Interest rates are regulated by the national board, and will be as low as practicable, but in no case may the interest charge be more than 2 per cent above the rate paid upon the last bonds issued and sold by the bank. Every mortgage shall contain an agreement providing for the repayment of the loan within a definite period not exceeding 10 years or on an amortization plan by means of a fixed number of monthly installments of sufficient amount to extinguish the loan (principal and interest) within a period of not less than 5 nor more than 15 years. Banks would be chartered by the national home loan board throughout the country in the various States. The number and geographical location of these institutions would be governed by business demand.

The pride of ownership is man's greatest incentive, and it brings out his best qualities. This is in evidence from the cradle to the grave. The baby cries for his rattle; the boy fights for his kiddie car or bicycle; and the girl clings to her doll, and, step by step, this process unfolds until every man and woman feels the great desire for a home—a home and all it means—a home to cherish and to defend.

When the wholesome playday of youth is passed, the thought of self and future, the thought of occupation and position in life, and the thought of home and family possess the soul and mind of every worth-while young man and woman in the land.

Home ownership begets responsibility, and in the home which is presided over by a mother who realizes her duty and cheerfully accepts her responsibility, the children will likewise realize and accept their duties, responsibilities, and obligations. In such an environment, self-respect and proper regard for others and for their rights and welfare becomes a part of the nature and character of the children of that household. Home and mother are the molds which shape the destiny of the child.

Measured in mere dollars, "renting" may sometimes be cheaper than "owning"; but measured by the essentials of home, character, and good citizenship, renting can not be compared with the ownership of a home. Even though the purchaser of a home may have made but the first and a very small payment, the whole scene has changed; the streets seem wider, the sunshine brighter, the grass greener, and the house warmer. The interest of the entire family centers in the home. The ownership of the occupant is apparent from the appearance of the lawn and shrubs.

Better men, better women, better children, and better citizenship are the fruitage of better homes and home ownership. Therefore, making the way easier for our people to secure and pay for homes of their own is one of the biggest things our Government can do. The men and women who bow beneath the burdens of the world are entitled to the best opportunity to secure a home that this Government can provide. It is not paternalism—it is justice.

A system of sound financial relief can be organized under the supervision of the Government that will deliver these people from unnecessary burden—a system that will furnish the opportunity and the inspiration to every man and woman to own his or her home by providing home loans at a very low rate of interest and small installment payments. It would be self-sustaining and not a burden upon our Government.

I believe that the creation of national home-loan banks, as provided in the proposed bill, would promote home ownership and would gradually reverse the existing ratio as between home owners and tenants. I believe that such a system can be established by our Government.

It is a recognized truth that government is the exact counterpart of its people, and it is equally true that people are the exact counterpart of their homes. Better homes will make better people, and better people will make for better government and a stronger nation. The home is the cornerstone upon which civilization has expanded and upon which the nations of the world have been raised. From the dawn of history it has been man's most cherished possession.

The pleasure of possession rests not upon the things we take for granted, such as well-paved streets and the use of the telephone, but upon the possession of those things which are not within everybody's reach as a matter of course.

The working out of a destiny plays an important part in our lives, whether we realize it or not; something to be hoped for; something we may yet work out, helps us all toward the cycle of "contentment." To have all thrust upon us with nothing left for future advancement, no knotty problems to work out, no chance to help make things better, would rob life of much that, while at times it seems dull, yet adds color and character.

I have stressed home ownership, but the mere having of a home is not the end, for in the home must be home-keeping hearts, the family, children, good books, and a leadership that builds for better and truer things.

Good night.

EXECUTIVE SESSION

Mr. CURTIS. I move that the Senate proceed to the consideration of executive business.

The motion was agreed to, and the Senate proceeded to the consideration of executive business. After five minutes spent in executive session the doors were reopened, and the Senate (at 4 o'clock and 55 minutes p. m.) took a recess until tomorrow, Wednesday, April 28, 1926, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 27 (legislative day of April 19), 1926

FOREIGN SERVICE

TO BE SECRETARIES IN THE DIPLOMATIC SERVICE

Willys R. Peck, of California, now a Foreign Service officer of class 3 and Chinese secretary of the legation at Peking, to be a secretary in the Diplomatic Service of the United States of America.

Paul R. Josselyn, of Iowa, now a Foreign Service officer of class 5 and assistant Chinese secretary of the legation at Peking, to be a secretary in the Diplomatic Service of the United States of America.

Eugene H. Dooman, of New York, now a Foreign Service officer of class 5 and Japanese assistant secretary of the embassy at Tokyo, to be a secretary in the Diplomatic Service of the United States of America.

UNITED STATES MARSHALS

Jesse D. Moore, of New York, to be United States marshal, eastern district of New York. A reappointment, his term expiring April 25, 1926.

Jacob H. Fulmer, of Nevada, to be United States marshal, district of Nevada. A reappointment, his term expiring April 25, 1926.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 27 (legislative day of April 19), 1926

APPOINTMENTS BY TRANSFER IN THE ARMY

Mitchell Alonzo Giddens to be second lieutenant, Cavalry.

PROMOTION IN THE ARMY

James Thomas Dismuke to be first lieutenant, Infantry.
Lewis Eugene Snell to be first lieutenant, Field Artillery.

Arnold Hoyer Rich to be first lieutenant, Air Service.
Charles Dawson McAllister to be first lieutenant, Field Artillery.

Vincent Joseph Tanzola to be first lieutenant, Infantry.
Edward Albert Banning to be first lieutenant, Infantry.
Frederic deLannoy Comfort to be first lieutenant, Cavalry.
Henry Laurance Ingham to be first lieutenant, Field Artillery.

POSTMASTERS

MICHIGAN

Charles E. Bassett, Fennville.
William M. Snell, Sault Ste. Marie.

NEW MEXICO

William S. Medcalf, Hope.

PENNSYLVANIA

Helen H. Rodgers, Fredericktown.
Edith M. Phelps, Ludlow.
Wilbur C. Taylor, Port Royal.
Mike Humenik, Slovan.
Kay C. Fuller, Springboro.

WISCONSIN

Emil G. Werner, Pittsville.

HOUSE OF REPRESENTATIVES

TUESDAY, April 27, 1926

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Our Father in heaven, with the light of the day, renew the sunshine of our spirits and the childhood of our hearts. Remind us that life is redeemed by sacrifice and service. Revive within us the sympathy that feels another's grief, the sweet charity that weaves another's hope, and the love that shares another's gladness. The Lord help us to forgive our enemies and bear no malice. May our faith in God, in man, and in our country always be as shining lights that can not die away. In the name of Jesus our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

DEPORTATION OF ALIENS

Mr. SABATH. Mr. Speaker, I ask unanimous consent that I may have three days in which to file minority views on the bill (H. R. 11489) to provide for the deportation of certain aliens, and for other purposes.

Mr. JOHNSON of Washington. Reserving the right to object, Mr. Speaker, may I ask whether that will interfere with the proceedings to secure a rule and get the bill up?

Mr. SABATH. No; I will not do anything that will delay consideration of the bill.

Mr. JOHNSON of Washington. Then I have no objection.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had passed without amendment bill and joint resolution of the following titles.

H. R. 10275. An act authorizing appropriations for construction at military posts, and for other purposes; and

H. J. Res. 204. House joint resolution authorizing certain military organizations to visit France, England, and Belgium.

The message also announced that the Senate had passed bill of the following title; in which the concurrence of the House of Representatives was requested:

S. 4056. An act to amend section 98 of the Judicial Code as amended.

The message also announced that the Senate had passed with amendments bill of the following title; in which the concurrence of the House of Representatives was requested:

H. R. 10425. An act making appropriations for the legislative branch of the Government for the fiscal year ending June 30, 1927, and for other purposes.

SENATE BILL REFERRED

Senate bill of the following title was taken from the Speaker's table and referred to its appropriate committee as indicated below:

S. 4056. An act to amend section 98 of the Judicial Code as amended; to the Committee on the Judiciary.

CELEBRATION AT WILLIAMSBURG, VA.

Mr. MONTAGUE. Mr. Speaker, I ask unanimous consent to take from the Speaker's table House Concurrent Resolution 13, providing for the observance of May 15, 1926, as the one hundred and fiftieth anniversary of the passage of a resolution by the Virginia Convention of 1776 proposing that Congress make a declaration of independence, and extending to the President and Congress of the United States an invitation to participate in a celebration at Williamsburg, Va., with a Senate amendment thereto, and concur in the Senate amendment.

The Clerk read the Senate amendment.

The SPEAKER. Is there objection to the request of the gentleman from Virginia?

There was no objection.

PERMISSION TO ADDRESS THE HOUSE

Mrs. KAHN. Mr. Speaker, I ask unanimous consent, immediately following the reading of the Journal and the business on the Speaker's table on Thursday, to address the House for 15 minutes on the subject of reapportionment.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

SOME SOCIALIST BILLS EXPLAINED—A STUDY OF OUR POLITICAL AND ECONOMIC CONDITIONS

The SPEAKER. Under the order of the House, the Chair recognizes the gentleman from Wisconsin [Mr. BERGER] for 30 minutes.

Mr. BERGER. Mr. Speaker and gentlemen, nobody realizes more than I do the peculiar position I hold in this House as the only Socialist in Congress.

Mr. STRONG of Kansas. Will the gentleman yield?

Mr. BERGER. Not now.

Mr. STRONG of Kansas. What has become of LaGUARDIA?

Mr. BERGER. Mr. Speaker, I would like to ask unanimous consent to extend and revise my remarks in the Record.

Mr. JOHNSON of Washington. The gentleman's own remarks?

Mr. BERGER. My own remarks, of course.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. BERGER. I will say again that nobody realizes more than I do the peculiar position I hold in this Congress. I was the first Socialist elected in the Sixty-second Congress in 1910, and it seems to be written in the stars that at least in the beginning not more than one Socialist shall sit in this House.

Whenever the electors of the fifth district of Wisconsin made the mistake of not returning me, then some constituency in New York rectified it by electing a Socialist from there, but we never got further than having one and a half at the same time. [Laughter.] I leave it to the House to judge who the half is. He is a dapper, fearless, fine little gentleman, but at best he is only half of a Socialist. [Laughter.] I am sorry he is not here just now.

I realize that, being alone, I can not pass any legislation. [Applause on the Democratic side.] As a matter of fact, the Democrats, of whom there are a great many more, can not pass any legislation, either [applause on the Republican side], and that the Democrats can not, may be fortunate for the country. [Laughter and applause.]

All I can do is to function as an interpreter—to show to the people, most of whom know absolutely nothing about socialism or socialist theory, what the Socialists would do if they had the power to do it.

SOCIALISM A WORLD POWER

This function I consider exceedingly useful in view of the economic trend in our country and the rapidly growing concentration of wealth, on the one hand, and the decline of the independence of the farmer and the workingman, on the other.

And also important in view of the other fact that socialism has become the greatest power of Europe to-day, and to no small extent also the main bulwark against the threatening despotism of either communism or fascism.

Socialism is the basic idea of the Labor Party of England, which may rule the British realm next year, or sooner, for that matter.

The Socialist Party is the strongest party in France and the largest single party in Germany. Just to show you how important it is to understand the Socialist point of view:

FRENCH SOCIALIST POSITION ON DEBTS IMPORTANT

An interview in the New York World of last Sunday given by Leon Blum, the leader of the Socialists in the Chamber of Deputies of France, states that the French Socialists are absolutely in favor of France paying the debt to the United States

without "ifs and ands," and without subterfuge as to reparations from Germany. M. Blum also says he will see to it that there is a guaranty for the French franc similar to the one for the German mark, and that unless that guaranty is furnished the Socialist Party of France will not accept any settlement with the United States.

Mr. BLANTON. Will the gentleman yield for a question?

Mr. BERGER. Not now; the gentleman from Texas can keep his questions until later. After I have made my statement he will be in a position to ask them with a better understanding. Lack of understanding is always the gentleman's greatest fault. [Laughter.]

Since the 140 Socialist members in the Chamber of Deputies are the main props of the present French Government, that declaration of M. Blum means a great deal, because the moment that the French Socialist Party refuses to cooperate with Premier Briand his administration would fall.

Now, the concentration of wealth in this country is going on to an extent that few people realize.

A MEMBER. It has not struck me. [Laughter.]

Mr. BERGER. Nor me either. That is just the trouble. Wealth has reached only a small minority of the people in the United States. Wealth has reached and is being reached only by a minority of 2 per cent. And that is where the danger lies. Later on I may explain where that is bound to lead to.

MY BILLS INTERPRET SOCIALIST AIMS

To interpret the socialist position, I have introduced a number of bills in this House, some of which I shall discuss in the short time I have allotted to me.

These bills will give you gentlemen and the people outside some idea as to our hopes, fears, and ambitions. These bills, in themselves, ought to set at rest any speculation caused in the average man by the fear of the unknown.

All I can do is to introduce bills that show what the Socialists would do as a party if we had the power to do it.

Mr. CHINDBLOM. Will the gentleman yield?

Mr. BERGER. I can not yield now, but I shall gladly yield later. I know the gentleman from Illinois does not ask questions like a certain other gentleman—simply to have a chance to talk on my time.

Mr. BLANTON. This is the first time I ever—

Mr. BERGER. I can not yield, and unless I yield I will cut out of my speech any remarks the gentleman from Texas [Mr. BLANTON] may choose to make.

RECOGNITION OF SOVIET GOVERNMENT

One of the bills I introduced pertains to international relations. I introduced on the 17th of December a bill for the recognition of the Russian Soviet Government.

Mr. Speaker, I am a socialist, not a communist.

I want it understood that at the present time there are thousands of socialists imprisoned in Russia. Not only that but among the American names that were put on the proscribed list by Lenin and his committee was my own. These communists held me responsible for communism not making any progress in the United States. That shows you how little they know about America.

BOTH COMMUNISM AND FASCISM ARE WAR BABIES

I realize one thing, however, and you will realize that also. Communism and Fascism are twin brothers. Both communism and Fascism are war babies, the results of the great World War. One of these babies came into the world red-headed. That was the Russian baby. The Italian baby has black hair. Otherwise there is very little difference between the two—on the surface at least.

The reason why our ruling class dislikes the red-haired baby so, is because the Bolsheviks laid violent hands on the sacred rights of property—while the Fascists just as violently are protecting the "vested rights" of those who have vested rights.

This is probably also one of the reasons why our Government was so willing to grant the Mussolini government such favorable terms for the debt settlement.

Nevertheless, now that American bankers and business men are dining with representatives of Soviet Russia and are taking orders and extending credit to them, our Government may as well recognize that the Soviet Government is here to stay.

Moreover, our Government is usually quick enough to follow the advice and orders of big business. Then why not in this respect?

WHY CAPITALISTS HATE THE RED-HAIRED BABY

Our policy in regard to Russia has been particularly stupid. It soon was clear to all the world that the Government of Russia was at least as solid as any Government in Europe—and more so. Therefore, all the European governments, including the British, recognized the Soviets. Only our national

administration still fools itself with the hope induced by the czarist agents in America that the Soviet Government will soon be overthrown, and refuses recognition.

It is therefore not surprising that one of the czarist organizations in Europe sent resolutions of thanks to our Secretary of State for the encouragement he was offering czarists everywhere.

The political form of government of the Russian people is exclusively the business of the people of Russia, and we have no excuse whatsoever to interfere.

We may not like the Government of Russia at all—undoubtedly the Russians do not like our Government either—but we have no more right to prescribe for the people of Russia the form of government they are to have than the Russians have to tell us what form of government shall be ours.

So much for the moral and political aspects of the question. I must repeat it: Our policy toward Russia is actually stupid. Really, to any man who is a student of history it sometimes seems a miracle how we are getting along in this world with the many senseless things that our Government has done in the last 10 or 15 years.

Mr. JOHNSON of Washington. Mr. Speaker, will the gentleman yield?

Mr. BERGER. Not now.

Mr. JOHNSON of Washington. Just once.

Mr. BERGER. Until I have developed my subject fully, I can not yield. Then I shall be very glad to yield to the illustrious gentleman from Washington, who is the chairman of the Committee on Immigration, although I know I can not convince him.

Now as to the economic side. I am not going to give figures, because that would spoil the speech for the average voter.

AMERICAN PRODUCTION NEEDS RUSSIAN TRADE

Russia undoubtedly can get along without buying machinery and other products from the United States. The Russians can buy them in England and Germany. But our manufacturers—and to a certain extent our workmen, and even our farmers—are undoubtedly missing the Russian trade.

Moreover, many of our business men are actually dealing with Russia now. And that makes our official stand still more ridiculous.

And nothing can be gained by holding to the untenable position that the Russian people are not entitled to admission in the family of nations because they took possession of some of the private property of American nationals—of the properties of the Harvester Co., the Standard Oil Co., and others. Our own country has done the same thing with the property of German and Austrian nationals, and is still holding the property.

What is really at the bottom of it is that the American capitalist class resents the idea that the Russian people have dared to proclaim the doctrine that if class governments are to exist, a government of workers and peasants is also entitled to a place in the sun.

To make a long story short, the recognition of the Russian Soviet Government would simply be the recognition of an existing fact.

FASCISM—THE BLACK-HAIRED BABY

I have mentioned the Fascisti before.

The American Government has not only recognized the Fascisti government but has gone so far in assisting and protecting Mussolini that it canceled 75 per cent of the Italian indebtedness, simply to favor its protégé, Benito Mussolini.

But why?

Fascism, no more than communism, believes in parliamentary government.

The Fascist and the communist unite in despising representative government and democracy.

There is nothing accidental about this resemblance. It is real.

Fascism and communism have different remedies, but they largely agree in the diagnosis of the disease that democracy has failed during the World War and since.

If democracy had the strength to assert itself everywhere, there would have been no World War. And in their methods both Fascism and communism are alike. Both unhesitatingly suppress free speech and a free press. Mussolini declared that he "will wipe his shoes on the prostrate form of liberty."

So much for their resemblances.

The contrasts are far more numerous, however, and more fundamental than the points of resemblance.

Communism is fiercely international and Fascism is just as fiercely national.

Meanwhile the rest of the world is looking on.

Labor opinion is naturally everywhere strongly anti-Fascist.

The constitutional bourgeoisie is disgusted by the ruthless suppression of all opposition.

On the other hand, the Tories and the conservatives applaud Fascism. Especially the younger element of the Tories in every country tries to build up their own organization on the Fascist model.

The word "Fascism," outside of Italy, is now used to denote all kinds of reactionary activities. In England it means only strikebreaking. In Germany and France, however, it stands for monarchic plotting and even murder.

FASCIST DESPOTS PERSECUTE ALL DISSENTERS

The present Fascist régime in Italy has taken measures to outlaw, suppress, and persecute all groups within its borders that are not in agreement with the despotic policies and anarchistic methods by which the Fascisti have obtained and now retain power. They have singled out for particular attack the Freemasons, the Catholics, the conservatives, the liberals, the socialists, and the trade unionists.

There are millions of Americans who are affiliated with the organizations of which the groups persecuted in Italy are an international part. They include the Catholics, the Freemasons, and the trade unionists. We have, therefore, a real interest in what steps are taken to injure those groups in Italy, because agitation is created in our own country.

WE SHOULD DEMAND HUMANE TREATMENT FOR MINORITIES

In view of the way we are affected and also considering the fact that our people have practically canceled more than \$2,000,000,000 of Italy's indebtedness to the United States, I proposed in a resolution I introduced on January 25, last, that the President be directed to inform the present rulers of Italy that we view with alarm and concern the tyrannical methods that are employed against racial and political minorities in Italy; and also the aspirations of world dominion so repeatedly proclaimed by Benito Mussolini; and that the President use his good offices with the Italian Government to obtain fair and humane treatment for those minorities.

There is nothing unusual about this procedure. We have on a number of occasions used our good offices in exactly the same way. It seemed to me that we could do so again because of the special conditions to which I have called attention.

In doing that the United States would be reaffirming its own faith in democratic ideals and in the principle of equality for racial and political minorities.

I go now from this resolution dealing with an important problem of our international relations to one of domestic concern.

HOW A MONOPOLY IS BORN

The organization of a \$2,000,000,000 Food Trust, which would control the products the American people will use from the time it is held by the farmer until it is placed upon the table of the consumer, startled the Nation. When the Bread Trust held the center of the stage I proposed that the Food Trust be acquired and operated as a public utility, and for the appointment of a commission which would determine the value of the property and make compensation therefor to the present owners.

Two plans of meeting the situation created by the organization of this huge monopoly were proposed: One provided for an investigation, and the other, which I presented, provided for Government ownership and operation of the trust.

Investigations are for the most part useless. They have been the rule for a quarter of a century. We have spent \$50,000,000 for investigations during the last year. Not only have these investigations proved futile, but the Sherman anti-trust law and all the regulations, commissions, and boards have been powerless to either hinder the creation or the growth of the huge monopolies to which 115,000,000 people must pay tribute every day of their lives.

The truth of the matter is that monopoly is the natural result of economic evolution and, therefore, inevitable. Competition leads to concentration of wealth, and finally competition kills competition. The strongest survive and combine, and we have a monopoly.

COMPETITION PASSES AWAY—MONOPOLY PREVAILS

In many industries competition is only a matter of history. In its place we have a monopoly system, which has many advantages, but also a great defect or evil; it gives a few men control of the necessities of life, and they naturally use their power for their own advantage.

If monopoly is inevitable, as it seems to be, then the Nation as a whole should be the monopolist. In the case of the Food Trust, it is surely more desirable that it should be owned by the Government in the interest of all the people than that it

should be managed in the interest of Mr. Ward and his associates.

We are informed that the Bread Trust has dissolved—the probabilities are that it has dissolved in about the same manner as the Standard Oil Trust was dissolved in 1911—simply keeping separate sets of books for the various companies. Thirty-one sets instead of one.

COAL MONOPOLY AS BAD AS BREAD MONOPOLY

If Government ownership and operation of the Food Trust is desirable—it is also desirable and essential for the coal mines and other natural resources, if the people are not to remain at the mercy of a few monopolists.

On Monday, January 18, I introduced a resolution providing for the seizure and operation of the anthracite coal mines.

Now, as on the day of its introduction, I believe that there can be no solution of the coal problem and no possibility of peace in the coal industry until the mines are nationalized.

During the strike, which lasted over five months, the price of anthracite had risen in some places, notably New York, from \$14, to \$25 and \$30 a ton. Coke had gone from \$3 to \$18, and soft coal from \$6 to \$16. The people paid for the strike, just as they have paid over and over again for the mines.

The coal industry is ripe for nationalization.

The miners in 1923 proposed a plan for the retirement of the capital by the industry itself. By the substitution of 6 per cent bonds for outstanding capital stock, all existing capital in the coal industry could be retired in 50 years at a cost of 28 cents per ton, while the last official figures indicate a present cost for interest, profit depletion, and depreciation of approximately \$1 a ton.

The anthracite-mine owners have within the last 10 years levied against the public the sum of \$200,000,000 in inflated valuations, which is charged up against the cost of every ton of coal mined. One dollar in every three carried on the books of the mine owners is water, according to the coal commission.

NATIONALIZATION—OR CHAOS?

It is either nationalization with definite safeguards against bureaucratic management—or chaos. At present a group of 25 men hold undisputed sway over the anthracite industry, upon which most other industries and the welfare of all the people depend.

This is inconsistent with the people's welfare or with democratic principles.

RESTORE AMERICA AS ASYLUM FOR "POLITICAL PROTESTANTS"

The attempted exclusion of Countess Cathcart, which followed close upon the heels of the Government's refusal to admit Countess Karolyi and Mr. Saklatvala, a member of the British Parliament, disclosed the danger of conferring discretionary power upon officials who may exercise it in the way our officials have. I therefore introduced a bill to restore America to the rank of an asylum for political heretics or political protestants.

Even if exclusion of aliens on the ground of indiscretions were to become the settled practice of all governments, many wealthy and prominent Americans would find themselves barred from other countries, including Paris and London. Since every country has its own set of morals, exclusion on that ground would make international business and travel impossible.

And exclusion on the ground that the aliens hold political opinions at variance with those which our officials profess, is an unjustifiable procedure. It means the very opposite of the principle of political asylum our country established and adhered to since this people became a nation. I need only point to the French immigration after the French Revolution and the German and Hungarian immigration in 1849 and 1850—our Government going so far as to send a war vessel to England to bring the Hungarian rebel Louis Kossuth to our shores.

IDEAS WILL SCALE IMMIGRATION WALLS

In our time, when the promotion of international good will is more necessary than ever for the well-being of the peoples of the world, our officials are reversing time-honored policies and are erecting barriers.

The influx of new ideas and new principles could not be stopped in years gone by, when the means of spreading them were poor; it is therefore clear that they can not be kept out by ridiculous exclusion orders and deportation ukases now.

OPEN ARCHIVES TO BARE TRUTH ABOUT WORLD WAR

My resolution requesting the President to call an international conference for the purpose of revising the Versailles treaty in accordance with the 14 points upon which the Germans laid down their arms in 1918, and also to make public all secret documents now in the archives of the allied governments and their associates pertaining to the causes of the war,

which was introduced on February 20, hardly needs an explanation.

The World War was based on a million lies. That is admitted to-day not only by neutral statesmen and historians but also by most of the leading statesmen of the World War itself—by Englishmen, Russians, Italians, and Canadians.

The only country where a dense cloud of ignorance still befores the minds of the people is the United States. Here we are still suffering from the war propaganda—a propaganda which was worse and more thorough here than in any country on God's earth. Great Britain especially had conducted the propaganda for her own case in this country for more than 25 years before the war. It was intensified as the war grew near. Since the so-called peace of Versailles the machinery for spreading lies has been taken over by the French Government.

MANY PEOPLE STILL BELIEVE WAR LIES

So thorough was that propaganda that there are still some people in the United States who believe that it was a war "to make the world safe for democracy," or a war "for liberty," or a war "to abolish militarism," or "to protect Belgium."

But the greatest lie in all that propaganda, the lie which lies at the bottom of all present troubles in the world, is the lie that Germany was the sole cause of the World War. The hellish pact of Versailles rests on that lie.

Without that lie that pact can not exist. Poincaré in France, Lloyd-George in England, and Hughes here have repeatedly admitted that the pact rests upon Germany's guilt.

But what is the truth? Soviet disclosures from the secret archives of the Russian Foreign Office, supplemented by some from the English Foreign Office and also by what had been found by the Germans in Belgium, prove that Germany, instead of having been more guilty than the other powers in starting the war, was in fact far less guilty.

All the world was systematically deceived and continues to be deceived by French propaganda. The fact is that Germany did not wish the war and did not provoke it. The vainglorious Kaiser and the egotistic and stupid ruling class permitted Germany to fall into the trap.

Once that is recognized, as it has already been established, the treaty of Versailles can be revised so as to permit the recovery of Europe, which also means the recovery of the central European market for our farmers. And this is very important to the United States.

A PENSION FOR VETERANS OF INDUSTRY

A bill providing for the pensioning of all wage earners who are without means of support after attaining the age of 60 was introduced by me while Congress was considering an increase in the pensions of Spanish-American War veterans and their dependents. I heartily supported the proposed increase. It passed this House unanimously.

But in doing so I wished to call attention to the fact that the veteran of industry as well as the veteran of war was deserving of consideration in his advanced years.

We pension soldiers because they render service on the field of battle which is dangerous to life and limb. People understand and approve such pensions. But the work of the soldier of industry is much more necessary and for the most part as dangerous as the work of the soldier on the battle field.

There are more people killed in our industries than in our wars and more people injured in industry than in war.

Any worker who has faithfully labored for a meager wage for 20 years or more has created more wealth than a pension in old age can repay. He has earned the right to be taken care of decently in his old age. These workers have made civilization possible for everybody, and especially for the comfortable classes.

It is cruel and unjust to expect those who have lived a life of usefulness, creating wealth for others, to suffer the indignities, the sordidness, and the misery of the poorhouse when too old to work.

The wages most of them receive during the years of their labor are insufficient to enable them to lay anything aside for the days when they will be thrown upon the scrap heap. My old age pension bill is, therefore, a measure of simple justice, and it offers no more than other countries have already done for the veterans of industry.

Under the provisions of the bill the highest amount the Government will pay to any person 60 years of age or over—male or female—will be \$8 per week. That will permit an aged couple to receive \$16 a week, and thus help keep the family together.

Those having incomes from other sources will have the amount reduced correspondingly. A certain period of citi-

zenship and residence will be required to make one eligible to receive a pension.

ESPIONAGE LAW MUST BE REPEALED

I also introduced a bill to repeal the espionage act which was passed during the war.

The impression prevails that the war-time laws which made it a crime punishable by 20 years in the penitentiary to criticize the war policies of the Wilson administration have been repealed. That impression is wrong. The espionage act is still on the statute books, to be revived the moment war is declared.

The espionage act was the most outrageous measure ever enacted in the United States. Under it 2,000 men and women who dared to exercise their constitutional rights of free speech and press were convicted and sentenced to terms up to 20 years. Not a conviction was had of any citizen charged with actual espionage.

That law not only made speaking and writing a crime, but even thinking against war was a crime, for if you thought as others did there was a "meeting of the minds"—and a conspiracy.

The strangest feature of it was that it was enacted by the Democratic Party, which was born of the opposition to the "alien and sedition acts" enacted by the Federalists in 1798. The Republican Party, of course, ably assisted the Democrats in 1917. The old alien and sedition acts were not nearly as vicious, however, as the espionage bill; the maximum penalty for its violation was two years in the old law.

The only purpose of retaining the espionage act on the statute books is to assure financiers and profiteers and patrioteers, whenever it suits their ambitions to push us into the next war just as they pushed us into the last war, that all opposition will be silenced. It will be used in the next war, as it was in the last, not to punish espionage but to stifle all criticism of international murder.

The time to wipe that law off the statute books is now. When war is declared, those advocating its repeal will be subject to a prison sentence of 20 years.

I wish to refer particularly to the immigration question.

PRESENT IMMIGRATION LAW DESTROYS FAMILY

When the present law, which separates families and creates untold hardship among families kept thousands of miles apart, was under consideration, I offered two amendments. One of them was designed to help reunite husbands and wives, even though the husbands may only be declarants. In a speech I made in favor of my amendment, I called attention to the importance of encouraging and making possible the reunion of families, and that failure to do so must result in breaking up an institution more basic than any other—the present family, upon which other institutions rest.

My amendment was rejected, and in spite of the effort that has been made to liberalize the law along the lines I have suggested, it is now certain that the Committee on Immigration and Naturalization is indisposed to even permit a consideration of the question on the floor of this House.

Instead of liberalizing the law, the committee has been considering legislation for the deportation of aliens who have entered the United States without complying with the entrance requirements.

ALIENS WILL BE TREATED AS CRIMINALS

There are just at present several bills pending in the House, some of which would treat every alien as a criminal.

The gentlemen who introduced some of them forget that this country was settled and built up by aliens. Even a member of the oldest white American family can count the generations it has existed in America on the fingers of his hands, and not use all the fingers.

There is, for instance, a bill pending which provides for a compulsory yearly registration of aliens and a payment of a fee of \$10 for the first registration and \$5 for each subsequent registration.

Every alien is to register with the postmaster of the district where he resides, and removal from one district to another must be recorded on the registration card. The card is to be exhibited whenever demanded by any policeman or any other official designated in that act.

Whenever the physical appearance of an alien changes this must be reported to the postmaster. Presumably, therefore, when an alien gets to be stout or loses weight, or a woman undergoes another physical change, or has her hair bobbed, or a man raises a mustache, or shaves his beard—that must be reported to the postmaster and recorded on the card.

Nor is this all.

In case of war or any other emergency, the President is to have the right to herd them all together and fix the place where they must be—in Tennessee or Louisiana, if he so orders.

Violations of this act are to be punished by a \$5,000 fine and two years in the penitentiary, and the culprits are also to be deported. Just imagine this provision in force with a man like A. Mitchell Palmer as Attorney General.

DEMOCRATIC NOMINATION AS A PUNISHMENT

Mr. JOHNSON of Washington. Would they throw a bomb at him?

Mr. BERGER. Maybe he would deserve—

Mr. JOHNSON of Washington. Does the gentleman think he deserved to have a bomb thrown at him, as was done a few years ago?

Mr. BERGER. Would deserve to be made a candidate for President on the Democratic ticket. Do not try to catch me with a question like that, Mr. JOHNSON, please.

Mr. JOHNSON of Washington. The gentleman will see—

Mr. BERGER. I am almost as bright as the gentleman from Washington.

Mr. JOHNSON of Washington. But the gentleman puts the wrong thing in the Record.

Mr. BERGER. This is the right thing because it is the humane thing. Permit me to tell you that the immigration which is coming now is probably better than what came to this country in the seventeenth and eighteenth centuries. Besides some religious fanatics, it was the scum of Great Britain and Ireland. Pickpockets, jailbirds, and streetwalkers. White slaves—because this is what the "indentured servants," so called, really were—formed the great bulk even in the eighteenth century. The best immigration came here from 1830 to 1900.

I also think that the suggestion of the Secretary of Labor—who is really a fine man in most respects—that school-teachers should help in the espionage only makes that bad bill so much worse.

And above all, unless a tremendous number of inspectors to enforce the act is set up—something like that which we have for the Volstead Act, only much larger—the law could not be enforced. And just imagine the fruitful field for oppression and graft. Because under this act aliens convicted of violations of the act would immediately be arrested and deported.

The opportunities for graft in this instance would be infinitely greater than either those of income-tax inspectors or prohibition employees.

Moreover, let us not forget that such an inspector could pounce upon any citizen and demand that he give proof of his citizenship.

According to a statement made before the House Committee on Immigration more than one-half of the native-born citizens of the United States are to-day unable to produce any record of their birth. And any citizen who could not produce evidence of his citizenship would be subject to penalties under this act, because he did not register.

JEW, POLES, AND ITALIANS DESIRABLE IMMIGRANTS

Our entire policy in regard to immigration is foolish. It is stupid tyranny. Our rulers do not say it openly, but the purpose is to keep out Jews, Poles, and Italians.

But the Jews are a bright and useful element.

And as to the Italians, God bless them! They will give American life a touch of art, which we sorely need. And you can not say anything against the Poles. There are no harder working people than the Poles in this country. Just go to the mines of Pennsylvania or the rolling mills of Pittsburgh.

Mr. JOHNSON of Washington rose.

Mr. BERGER. I will answer the gentleman from Washington later on, but I want to develop my theme first.

Mr. JOHNSON of Washington. Let us hire a hall and have it out right. [Laughter.]

Mr. BERGER. Yes; in Milwaukee, Chicago, or New York.

Mr. JOHNSON of Washington. I will share the expense.

Mr. BERGER. Not absolutely necessary; I will gladly pay.

Mr. HOLADAY. Mr. Speaker, will the gentleman yield?

Mr. BERGER. Not now.

Mr. HOLADAY. I would like to be the referee. [Laughter.]

Mr. BERGER. I can not accept this offer. The gentleman is not impartial.

ALIEN PROPERTY ROBBERY SETS RECORD FOR THEFT

I have also introduced a bill for the immediate return of all alien property. This is the first time in 300 years, ladies and gentlemen, that a government took hold of private property. There were some examples in the Thirty Years' War in Europe, one of the most ravaging wars that ever took place.

The SPEAKER. The time of the gentleman from Wisconsin has expired.

Mr. BERGER. I ask unanimous consent, Mr. Speaker, for 10 minutes more. I do not take much of the time of the House.

The SPEAKER. The gentleman from Wisconsin asks unanimous consent to proceed for 10 minutes more. Is there objection?

There was no objection.

Mr. JOHNSON of Washington. Mr. Speaker, I would like unanimous consent to follow the gentleman from Illinois [Mr. HOLADAY] for 10 minutes. I have no objection to the leaves that have been granted.

The SPEAKER. The gentleman from Washington [Mr. JOHNSON] asks unanimous consent for 10 minutes following the gentleman from Illinois. Is there objection?

There was no objection.

Mr. BERGER. I therefore introduced a bill providing for the immediate return of all property held by the Alien Property Custodian and for the payment of damages resulting from the seizure.

Never since the Thirty Years' War in the seventeenth century was looting done with such brazenness as it was done in the seizure of private property by our Government in the recent war. And this in the face of the official declaration of November 14, 1917, that "there was no thought of a confiscation of property thus held in trust."

The gentleman from New York [Mr. MILLS] also has a bill to return the property, and I am perfectly willing to have his bill substituted for mine. We differ on most things, but he tries to be fair, and he also knows more about finances than I do.

The objection of the gentleman from Texas [Mr. GARNER] that the restitution of alien property is "a horrible steal" and "legalized theft" must be put down as Democratic rhetoric.

It was often said that the transaction of Uncle Sam in the alien property case was either that of a pirate or of an embezzler. Especially so in view of the Franklin treaty with Prussia in 1785, providing against confiscation of private property in case of war. Franklin procured the following clinching statement to the treaty:

And it is declared that neither the pretense of war, nor any other pretense whatever, shall be considered as annulling or suspending this and the next preceding article. On the contrary, the state of war is precisely that for which these articles are provided and during which they are to be sacredly observed.

Alexander Hamilton inserted the same provision against confiscation of private property in our treaty with England in 1794. That was the Jay treaty.

ALIEN PROPERTY STEAL LED TO OTHER STEALS

The alien property steal very naturally resulted in other steals. What has already been disclosed about the manner in which this property was handled should be sufficient to send several of the Alien Property Custodians to prison. They have disgraced our country. The property should be returned and damages paid for the seizure, detention, and conversion.

Mr. GARNER of Texas. Mr. Speaker, will the gentleman yield?

Mr. BERGER. Not now; I will yield later to the gentleman.

Mr. GARNER of Texas. But you ought not to misquote me and make a statement that I never made.

Mr. BERGER. I yield.

Mr. GARNER of Texas. I say to pay American citizens for German debts is a steal. That is \$190,000,000. I did not say anything about the return of alien property being a steal. I referred to the German debt.

Mr. BERGER. It would be a steal, one of the biggest steals the world has ever seen, if the Government of the United States would not return that private property to its rightful owners, as the Government of the United States promised to do.

Just before the Government took this property over, on February 8, 1917, the Secretary of State, with the sanction of Woodrow Wilson, then President of the United States, issued the following statement:

The Government of the United States will scrupulously respect all private rights of its own citizens and of the subjects of foreign states.

That was the time when the Germans and the Austrians were going to remove all their money from the banks and sell all their interests in American business concerns.

And this declaration of President Wilson may be considered even apart from all treaties of the past and the opinions of Thomas Jefferson, Alexander Hamilton, and John Marshall

on that very same subject, and may be considered as a pledge of the Government of the United States to take care of that alien property.

RETURN PROPERTY TO RICH AND POOR ALIKE

The contention of the gentleman from Texas [Mr. GARNER] that the Standard Oil Co. would profit by the return of the alien property, because it has a claim for injuries inflicted on it by the Germans during the war, is simply a play on the prejudices of the ignorant, who get the cold shivers whenever the Standard Oil Co. is mentioned. To my mind, the Standard Oil Co. is not worse than any other big oil company in New Jersey, Oklahoma, or Texas. The sum which the Standard Oil Co. will get on its claim is \$800,000, while the total sum of the alien property is \$327,000,000. The awards of the Mixed Claims Commission total \$190,000,000. The accrued interest on that amount may amount to \$30,000,000.

If the claim of the Standard Oil Co. for any reason ought not to be paid, it is the duty of the gentleman from Texas to make this clear to the Mixed Claims Commission, which has awarded the claim—or even to this House.

If the Mixed Claims Commission has awarded what those citizens claim, they are entitled to it. I do not care whether it is John D. Rockefeller or E. H. Gary—and neither is a particular friend of mine—who gets the award. As long as his claim is just, he is entitled to payment.

Mr. STEVENSON. Mr. Speaker, will the gentleman yield?

Mr. BERGER. Not now. Let me finish my statement. It was claimed that Mr. Mellon, the Secretary of the Treasury, was interested in five of these companies. Let us suppose he is interested. He has stock in more than 100 companies. Would any award or any judgment that any of these companies receives in a court become invalid because Mr. Mellon owns stock in that company? If that is the case, then the capitalist system would come to an end very quickly, even in Texas.

Mr. STEVENSON. If the Court of Claims awarded a judgment against Germany, have we the right to enforce that judgment against the men who do not owe it?

Mr. BERGER. I am glad the gentleman asked that question.

Mr. STEVENSON. I would be very glad to hear your answer to that.

TAKING PRIVATE PROPERTY TO PAY FOR A COUNTRY'S DEBTS IS WITHOUT PRECEDENT

Mr. BERGER. The alien property in the hands of the custodian does not belong to Germany—it belongs to private persons who are Germans. This is the first time in the history of civilized nations that a government proposes to take property and money from private persons—not from the German state, remember, but from private persons who trusted the pledge of our Government to take care of that property—to pay war claims of its own nationals against Germany.

The World War furnished the first example of that kind in the history of civilized nations, and it is absolutely against all precedent.

Mr. BLANTON. Mr. Speaker, will the gentleman yield?

Mr. BERGER. No. The gentleman from Texas seldom asks wise questions. [Laughter.]

Mr. BLANTON. I yielded to you.

Mr. STEVENSON. Why should you enforce a judgment against America which is rendered only against Germany?

Mr. BERGER. It is not rendered only against Germany.

Mr. STEVENSON. It is held that Germany is liable for it. I am talking about the judgment.

Mr. BERGER. I repeat, Mr. Speaker, that this money belongs to private citizens. The President of the United States and the Secretary of State solemnly promised they would keep that property as a trust, not for the purpose of paying any damages for which Germany as a country would be held liable but to return it after the war to the rightful owners.

As you know, gentlemen, many of those promises have been broken. This is an old treaty provision, moreover, one which is reinforced by the opinions of men who have been called great in the past—by the opinions of Alexander Hamilton, Thomas Jefferson, and John Marshall. We ought to fulfill that obligation.

Mr. BLANTON. Will the gentleman yield? I yielded to the gentleman.

Mr. BERGER. Go ahead, Mr. BLANTON.

Mr. BLANTON. I want to say that the proposition of the French socialists in France—

Mr. BERGER. We have passed France, Mr. BLANTON.

Mr. BLANTON. To pay what they owe to this Government is the only sensible thing I have heard come from a socialist.

Mr. BERGER. But the gentleman from Texas is a poor judge. That is the trouble with the gentleman from Texas. He does not know what a good thing is when he meets it in

broad daylight. The gentleman is well-meaning and exceedingly industrious, but as for his judgment, God bless him, he has none. [Laughter.]

Mr. JOHNSON of Washington. Is the gentleman going to mention Debs?

Mr. BERGER. No; we had that out before. I have introduced more than a dozen bills, but I can not discuss all of them to-day. However, if you will get me time enough I will discuss every one. I am saying all these things with good will to all and ill will to none, to use a phrase of the immortal Abraham Lincoln.

ADMINISTRATION FAILS IN FULFILLING PLEDGE TO NEGROES

On Friday, April 16, I introduced a bill to make participation in lynchings a Federal offense and to punish both individuals who join such mobs and officials who fail to take proper precautions to prevent lynchings.

The failure of the Republican Party to carry out its platform pledge of 1924 for the enactment "at the earliest possible date of a Federal antilynching law, so that the full influence of the Federal Government may be wielded to exterminate this hideous crime," is one of the major crimes of omission on the part of the Coolidge administration.

With a majority in both Houses of Congress powerful enough to carry out every other policy of the administration—including a tax bill that enables wealth to escape its share of the burdens of taxation—the administration could bring sufficient pressure to bear to have the promise made to the people in 1924 kept. That antilynching plank, like so many others, helped to keep the negro vote in line long enough to enable the Republicans to ride into office. To that extent that plank has served its purpose.

I hope Congress will not adjourn until a genuine effort is made to enact a Federal antilynching law.

Thousands of people are being paid to spy on those of their fellow citizens who may be taking an occasional drink in violation of the eighteenth amendment. The Federal Government is spending many millions of dollars each year to deal with the petty lawlessness involved in this sort of violations. But not an effort is made to punish acts which bring injury and death to people, many of whom are innocent, and all of whom are entitled to protection under our Constitution.

CONGRESS HAS POWER TO PUNISH LYNCHING

It is not only the duty but it is clearly within the power of Congress to enact legislation which will make enforceable the rights guaranteed to the people under the Constitution. In the fifth section of the fourteenth amendment Congress is given the right to enforce constitutional guaranties, and that constitutional provision is broad enough to authorize the enforcement of the law I propose.

My bill goes a step further than the antilynching bills that have been considered in the past. There are teeth in this bill.

A man who joins a mob and proceeds to kill another is a murderer, and ought to be punished in such a way that he will learn to respect the rights of others, and that his friends and neighbors may be deterred from committing a similar offense.

FEDERAL AID TO COMBAT ILLITERACY

I have introduced a bill providing for Federal aid to States in a drive to combat illiteracy. Under its terms the Federal Government will appropriate \$2,000,000 each year for the next six years, that appropriation to be apportioned among the various States in proportion to their percentage of illiteracy, and subject to the requirement that each State match the amount appropriated by the Federal Government.

It is surprising that the United States, which was one of the first nations to make elaborate plans to furnish an elementary-school education to all those within its borders, should now compare so unfavorably with other countries in the percentage of illiteracy. In England the percentage of illiteracy is about 1.8, while in the United States for the same class it is in excess of 7 per cent.

In a democracy, where much depends upon the people's ability to read and write, the presence of millions of illiterates is a danger.

Illiteracy is greatest in the South. That explains in a large measure why the Ku-Klux Klan got its start and was able to make such headway in the South. On the other hand, the klan has made little or no headway in Wisconsin, for example, where the percentage of illiteracy was almost negligible until the recent immigration from eastern and southern Europe.

My bill does not remove the problem of education from the State to the Federal Government. Under it education remains a State matter. All the Federal Government would undertake to do would be to encourage the States to increase and improve their educational facilities and thereby reduce illiteracy. The

Federal Government, however, has a vital interest in the subject—surely as much as it has in good roads.

My bill does not deprive the States of any rights they now have. They retain full control of their educational facilities. Their only obligation, which they voluntarily assume before acquiring any of the benefits of the Federal appropriation, is to pay an equal sum with the Federal Government for abolishing illiteracy. The States will benefit; the Nation will benefit. The cost to neither will be prohibitive.

PUTTING TEETH INTO FREE SPEECH AMENDMENT

I have also introduced a bill to enforce the first amendment to the Constitution by making it a Federal offense to violate its provisions guaranteeing freedom of speech, of the press, and of assembly. It makes violations of the amendment a felony punishable by two years' imprisonment or by a fine of \$5,000, or both.

Much is being said about putting teeth into the eighteenth amendment. That slogan is being heralded by the Anti-Saloon League and its servants in public office. The Volstead Act had that object in view.

But it has never been suggested by any group of "reformers" to put teeth into the first amendment of our Constitution, which was considered the most important amendment by both Thomas Jefferson and Alexander Hamilton, who otherwise did not agree on very many things.

I regard the first amendment as most essential to the preservation of fundamental rights of Americans. It is also remarkable as being one of the few provisions which instead of limiting the liberty of the citizen extends it. Moreover, I believe that the first amendment can be enforced without trouble if a law is passed for its enforcement.

Of course, I realize that many Americans of to-day are different from those of the eighteenth and nineteenth centuries. American business men to-day worship Mussolini, who brags that he wipes his feet on liberty. Certain wealthy Americans to-day envy Italy, Spain, and Greece their dictators. They find fault with the Russian communists not on account of their methods or because a small oligarchy is ruling Russia, but because Trotzki, Lenin, and their friends have laid hands on property. One hears every day business men deploring the fact that Congress is in session and wishing that Congress would adjourn forever. And such an obedient Congress at that.

Of course, we hear a great deal about Americanism and Americanizing. Capitalist newspapers give prizes for the best essays on the Constitution, even though the most important parts of that Constitution are a dead letter and are to remain so.

Patriotism to-day does not mean the greatest good for the greatest mass, but means military display—flag day, Navy day, defense day.

And democracy to-day means jobs for "deserving Democrats."

If Thomas Jefferson would rise from his grave to-day, the Democratic statesmen of the South would put him into jail immediately as a dangerous radical, since he said that violent revolutions are needed every 25 years to preserve liberty.

NO FREEDOM CAN EXIST WITHOUT FREE SPEECH AND FREE PRESS

As to our Constitution—the right of the people to speak freely, to write freely, and to have the right to assemble for the purpose of discussing their grievances lies at the basis of all other rights.

At this very moment men are held under \$30,000 bail at Passaic, N. J., merely because they dared to exercise the right of free speech, even though they exercised it only on a privately owned lot. Free speech has become next to impossible in this country.

And then there is the recent case of the Mercury, a monthly magazine published in New York, and edited by America's foremost critic, Henry L. Mencken. Because it published a story which some prudes thought was immoral but which many people believed was in reality a highly moral lesson by showing up the hypocrisy of some of the yokel towns of the Middle West, its sale was forbidden. When a judge in Boston freed the magazine, the Postmaster General forbade its circulation.

Now, with all due respect to the Postmaster General—I do not believe that he is an absolute judge of either good literature or good morals. He ought therefore to be deprived of the autocratic power that he has of ruining any publication at random if he so chooses. The Postmaster General, like any other mortal, should be compelled to go to the courts and prove his case against the publication before he could stop its circulation. I would give no man living the unlimited censorship over free speech and over free press.

If a publisher of a paper or a magazine has done any wrong—and that has been proved in the court—then the man responsible should bear the consequences and be punished. But con-

sorship of the type we have in this country is the plutocratic devil's own invention, and was nurtured from a little strippling by hypocrisy, crookedness, and cowardice until it grew up and became the big tree of the present day.

It originally started with the Postmaster General, together with the Attorney General, getting the right to deprive papers that contained advertisements of the Louisiana lottery, with which Southern gentlemen tried to recoup their fortunes, of the second-class mailing privilege.

HAVE WE LOST FAITH IN PEOPLE'S RULE?

Mr. Speaker, have the American people lost their faith in democratic institutions? There seems to be less concern here about the loss of civil liberty than in any western European country. There is surely less resistance against Federal, State, and local tyranny. We have truly become a docile people.

Our working class, apart from the farmers, is mostly made up of aliens and semialiens. It is furthermore made up of all kinds of nationalities, races, and religions, who have little love for each other and little coherence with each other. For those reasons the American proletariat is surely the most poorly organized of any working class of any civilized western European country.

Owing to the colonial conditions which still prevail in our country, the standard of living is higher in this country and the living conditions undoubtedly easier, especially since the war has turned Europe into a general poorhouse.

Nevertheless, even the native American worker is satisfied, if he has enough to eat, if he can go to a movie and see a game of baseball or a prize fight occasionally. If, on top of all that, he can also have a cheap automobile, then the goal of his wishes has been reached.

The slogan in our country to-day, like in Rome of antiquity, seems to be "panem et circenses," bread and games.

Mr. Speaker and gentlemen, we have all but stopped immigration—even immigration from Germany, England, and the western countries of Europe, where people on the whole have a higher average education.

What we are trying to do now is to mold all of them into one form, which we proudly call the American mold. And they are all to think alike, and to speak alike, and to act alike. They are all to believe that the present social, political, and economic order is the best that the world has ever produced or ever will produce. And that our Constitution, which was patched up 19 times, is the most perfect and the most sacred document ever received by man since the decalogue.

And we are teaching the young people in the public schools to salute the flag, and to revere the Daughters of the American Revolution, and to believe that George Washington never told a lie.

And at the same time E. H. Gary, the president of the United States Steel Co., is an honorary Fascist and is sighing for a dictator in the United States.

Others of the same type and the same mode of thinking are sighing with him.

And wealth, or the ability to make money, is the only thing that counts in our country to-day.

WHITHER ARE WE BOUND, COLUMBIA?

Mr. Speaker and gentlemen, what is the outcome of this to be? Democracy seems to have lost caste with the older stock of the American people—I say older stock advisedly, because there is no old stock.

Our political life seems to be stagnant. Our parliamentary life is almost extinct. We have only one political party, and that is the plutocratic Republican Party of Pierpont Morgan, Doheny, and company, of which the Democratic Party is but a poor appendage—without any program, without any leadership, without any reason for existence, solely held together by the race question down South.

The world can not stand still, and economic evolution does not stand still. Colonial conditions are disappearing daily more and more in our country. Cheap land is almost gone now. The most dissatisfied class to-day is the farmer class.

What is the outcome to be, then? Will it be communism? Will it be Fascism? As my bills prove, I want neither. But I am afraid future generations may not respect my wishes any more than the present generation does.

Therefore, I say: Columbia quo vadis? Whither goest thou, United States of America?

The SPEAKER. The time of the gentleman from Wisconsin has again expired.

Mr. BERGER. I thank you, one and all, for your kind attention. [Applause.]

The SPEAKER. The gentleman from Illinois [Mr. HOLADAY] is recognized for five minutes.

Mr. HOLADAY. Mr. Speaker, I am surprised to learn from the gentleman from Wisconsin [Mr. BERGER] that the Russian Soviet leaders have been disappointed with his efforts to extend their doctrines in the United States. I feel sure that if they understood the time and effort he has devoted to their interests they would not be disappointed.

Mr. BERGER. But I did not.

Mr. HOLADAY. I will be glad to give him a letter of recommendation to them.

Mr. BERGER. I do not want it and do not need it.

Mr. HOLADAY. The gentleman complains about his inability to secure the enactment of certain legislation he has introduced. I may suggest to the gentleman, after looking over that legislation, that I believe he has made a mistake as to the legislative body into which he has introduced those measures. If he would introduce them into the general soviet assembly of Russia I think they would receive more serious consideration than they receive here. [Applause.]

The gentleman calls our attention to certain bills affecting immigration, and I want to call the attention of the House to this statement. In my experience I have found that persons opposed to the restriction of immigration and to the deportation of undesirable aliens may in nine cases out of ten be properly classified in at least one of the following classes: Class I. Persons belonging to some organization that has for its chief purpose either the overthrow of the present form of government in the United States or the protection of those individuals or organizations favoring the overthrow of our present form of government. [Applause]. Class II. Persons of foreign birth. Class III. Persons representing in some capacity members of Class I or Class II.

While the gentleman from Wisconsin might qualify in more than one of those classes, I want to devote my remarks to his classification in Class I. As a member of that organization known as the American Civil Liberties Union, whose chief purpose is to lend aid and assistance and extend protection to those individuals and to those organizations which have for their chief purpose the overthrow of the present form of government that we have in the United States.

Mr. LAGUARDIA. Will the gentleman yield?

Mr. HOLADAY. I ask the gentleman to wait until I have completed this statement, and then I will yield.

And in order that there may be no misunderstanding, I want to call your attention very briefly to two or three pages of testimony that are a part of the official records of the Committee on Immigration and Naturalization of this House. I read from the RECORD of Thursday, March 25, 1926:

The CHAIRMAN. The committee will be in order. This meeting was called at the request of the officers of the American Civil Liberties Union, 100 Fifth Avenue, New York City. The meeting to-day is called in connection with the hearings on H. R. 3774, introduced by Mr. HOLADAY, a member of this committee, a bill to provide for the deportation of certain aliens.

At this meeting one Allen S. Olmstead, jr., 2301 Packard Building, Philadelphia, Pa., appeared as the representative of the American Civil Liberties Union.

Mr. Olmstead and others, convoyed by the gentleman from Wisconsin [Mr. BERGER], appeared as representatives of the American Civil Liberties Union. Mr. Olmstead testified that he was a member of that organization. While Mr. Olmstead was testifying with reference to certain provisions of the bill dealing with the deportation of alien criminals he testified as follows:

The CHAIRMAN. You think that an alien has a perfect right to come here—preach communism all he wants to and advocate the overthrow of government?

Mr. OLMSTEAD. Yes.

Mr. HOLADAY. Did I understand you to say that an alien has the right to preach anarchy and the overthrow of government?

Mr. OLMSTEAD. Yes.

Mr. HOLADAY. Do you believe that a citizen has that right?

Mr. OLMSTEAD. Yes.

Mr. HOLADAY. How far do you go? Do you believe that the alien or the citizen, or either one of them, can have the right to follow up that preaching with more direct action to overthrow the Government?

Mr. OLMSTEAD. As to that I do not know.

A little later in his testimony Mr. Olmstead testified as follows:

Mr. VINCENT of Michigan. Do you think those anarchists had a right to go up into my State—

Mr. OLMSTEAD. What State is that?

Mr. VINCENT of Michigan. Do you think they had a right to go up there as they did and hold a meeting there among themselves with the

avowed purpose of starting a movement to overthrow the Government of the United States?

Mr. OLMSTEAD. Yes.

That, gentlemen, is the testimony of the official representative of the American Civil Liberties Union. The testimony of Miss Isabelle Kendig, who is their Washington representative, is almost identical. With reference to the principles of the American Civil Liberties Union, she testified as follows:

Miss KENDIG. They stand for free speech, free press, and free assembly.

Mr. VINCENT of Michigan. And you claim that same right for the alien that you do for the citizen?

Miss KENDIG. Yes. We stand on this broad ground and nothing else. We have taken no stand as an organization on the right of any individual or group of individuals to carry those theories, whatever there is they may hold, into action.

The CHAIRMAN. Do you believe in direct action as a political means?

Miss KENDIG. We have taken no action on that, and so far as I understand it to-day, we stand on those things I have mentioned.

The CHAIRMAN. Have you any views of your own on that subject?

Miss KENDIG. None that I care to give at this time.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. HOLADAY. Yes.

Mr. LA GUARDIA. Does the gentleman know that Miss Kendig is a direct lineal descendant of Benjamin Franklin?

Mr. HOLADAY. I do not know of whom she is a descendant, and I am not so much interested in the ancestors of a man as I am interested in what that man's personal beliefs and theories are. [Applause.]

Mr. BERGER. Will the gentleman yield?

Mr. HOLADAY. I yield.

Mr. BERGER. I happen to know Miss Isabelle Kendig. She is a friend of mine and one of the finest women I ever met. I am pleased to call her one of my friends.

Mr. HOLADAY. Well, I notice the gentleman has a great many friends; in fact, he seems to be an admirer of almost all the people who belong to organizations such as this.

Mr. BERGER. I am.

Mr. WEFALD. Will the gentleman yield?

Mr. HOLADAY. I yield.

Mr. WEFALD. The gentleman from Wisconsin is also a great admirer of the gentleman from New York [Mr. MILLS].

Mr. BERGER. Yes; he is.

Mr. HOLADAY. I understand so.

Let us now for a moment consider the beliefs and principles of the American Civil Liberties Union as developed by the testimony I have read and from the other testimony given at that hearing. Under the guise of free speech they believe that any man, alien or citizen, has the right to preach the overthrow of this Government by force and violence.

Mr. LA GUARDIA. Will the gentleman yield?

Mr. HOLADAY. Will the gentleman wait until I get through? They believe that any man has the right to use any language he desires and to preach the overthrow of this Government by means fair or foul. That is their belief.

In other words, they believe that I may go out and make a speech advocating the assassination of our public officers, advocating the blowing up of our public buildings, advocating anything that I want to advocate that will destroy this Government, and if some poor deluded man listening to my remarks goes out from that meeting and by use of the assassin's bullet strikes down a public official or by the use of bombs demolishes a public building, I am not liable. They say as to whether that man shall be liable for his action is a matter upon which their organization has never taken any official action, and that it is a matter each individual must decide for himself.

The gentleman from Wisconsin states he has introduced a bill that will put a little more humanity into the immigration laws. Under the present law the wife of a citizen and the minor children under 18 years may be allowed to enter. Now, what does the gentleman propose? He proposes to broaden those provisions by providing that any man may come here and bring with him his wife and his children, his father, his mother, his grandparents, his uncles, his cousins, and all of his friends.

Mr. PERLMAN. Will the gentleman yield now?

Mr. HOLADAY. Not for just a moment.

That is what the gentleman proposes, and he proposes that the only qualification that shall be placed upon any man who comes is, first, his physical qualification, and, second, proof that he has never been convicted of a crime before he entered the United States. He proposes that if an alien is admitted and commits murder or commits any crime—he may be a white slaver, a narcotic peddler, he may be anything; but that shall not be grounds for deportation.

The Civil Liberties Union has in its statement of policy what appears to me a somewhat humorous article under the heading "Free speech," as follows:

The fullest freedom of speech should be encouraged by setting aside special places in streets or parks and in the use of public buildings free of charge for public meetings of any sort.

I apprehend if the gentleman from Wisconsin [Mr. BERGER] can secure the enactment of the legislation he has already introduced there will come from Russia and from all over the world a great crowd of anarchists, communists, internationalists—

Mr. PERLMAN. Will the gentleman yield there for a question?

Mr. HOLADAY. And people who believe in every form of government and no form of government, and I think when they have all arrived and hold their convention for the overthrow of this Government, the gentleman from Wisconsin is entitled to be the honorary chairman of that convention.

Mr. SABATH. Will the gentleman yield?

Mr. HOLADAY. Wait just a moment. This meeting, to be held on public property, free of charge, will be for the purpose of devising ways and means to overthrow this Government.

Mr. BERGER. The gentleman has referred to me so often, will he kindly yield for a question?

Mr. HOLADAY. I yield.

Mr. BERGER. Has the gentleman ever been in Hyde Park, London?

Mr. HOLADAY. No; I have never been there.

Mr. BERGER. Well, I have been there. They have a big place there, where they preach everything under the sun, from anarchy down to communism, free love, or that the earth is like a big bowl.

Mr. HOLADAY. And I understand the gentleman wants the same thing here? I thank him for the information.

Mr. BERGER. Oh, no; listen, Mr. HOLADAY. They have just this past week enlarged the territory by about 7 or 10 acres by order of the Government.

Mr. HOLADAY. How many acres will they need here?

H. R. 9562, introduced by the gentleman from Wisconsin [Mr. BERGER], is as follows:

SEC. 39. No alien, if physically fit, shall be excluded from admission into the United States, or be deported after admission, unless found to have been convicted of a felony prior to seeking admission to the United States: *Provided*, That nothing in this act shall exclude, if otherwise admissible, persons convicted of an offense purely political in its nature.

SEC. 40. All acts or parts of acts inconsistent with the preceding section are hereby repealed.

The effect of this bill, if passed by Congress, will be, in its practical results, the repeal of all our restrictive immigration and deportation laws. Under this bill it is only necessary that a man, seeking to enter the United States, be physically fit and that he has never been convicted of a felony. Having once been admitted to the United States, he can not be deported, irrespective of what his conduct may be.

I do not believe any further explanation as to why the gentleman's bill has not been reported by the Committee on Immigration and Naturalization is necessary. [Applause.]

Mr. JOHNSON of Washington. Mr. Speaker and gentlemen of the House: I doubt if the House of Representatives can spend a more important hour than it is spending to-day in the development of the ideas, through this brief debate, led off by the gentleman from Wisconsin [Mr. BERGER] and followed by the gentleman from Illinois [Mr. HOLADAY]. Slowly we are learning something about those who are back of a great subversive movement going on in this country, and one which is much stronger than many of us realize.

I have not the time to do more than touch one or two of the high places and to mention one or two statements made by the gentleman from Wisconsin.

The printed hearings on the deportation bill, from which hearings you have just heard extracts read, will be ready by Friday. It consists of 300 pages, fully indexed. Every Member should secure a copy, and copies for the libraries in his district. The deportation hearings, from which you have heard extracts, are preliminary to a proper deportation bill which I hope will be up for consideration on this floor very soon; a bill to make more effective the deportation of alien convicts, alien gunmen, alien narcotic peddlers, and alien defectives, feeble-minded, and so on. We want to relieve the penal and other institutions of burdens that should not belong to either State or Nation. I think we will pass that bill. [Applause.] I think it will become a law, and a proper law. [Applause.]

The gentleman from Wisconsin, in discussing registration proposals, said—I quote from the stenographer's transcript, including the colloquy which occurred:

Mr. BERGER. We should make good citizens out of the aliens here, instead of people who resent the tyranny of men who happen to come here before they did. The violations of this act are to be punished by a \$5,000 fine and two years in the penitentiary, and they are to be sent back, to be deported, and then imagine a man like Mr. Mitchell Palmer as Attorney General under such a law—

Mr. JOHNSON of Washington. Would they throw a bomb at him?

Mr. BERGER. Maybe he would deserve—

Mr. JOHNSON of Washington. Does the gentleman think he deserved to have a bomb thrown at him as was done a few years ago?

Mr. BERGER. Do not try to catch me with a question here.

Mr. JOHNSON of Washington. The gentleman will see—

Mr. BERGER. I am almost as bright as the gentleman is.

Mr. JOHNSON of Washington. Much brighter, I know, but the gentleman puts the wrong thing in the RECORD.

And so on. The sentences were shot across each other so that the stenographer could not catch the concluding words. Of course, the gentleman does not really mean to go that far, but others do mean to—and go even further, deliberately.

Get a copy of yesterday's New York Times (April 26) and read the column story of the communistic demonstration to the former United States soldier arrested in Hawaii, Walter Turnbull by name, who was sentenced to 20 years for preaching sedition in the Army, and whose sentence was commuted to one year. See what kind of a demonstration they gave him in New York, the greatest alien city in the world. Read how the chairman, in presenting this seditionist, said:

It is good to have some one in the Communist Party here who knows how to handle a machine gun.

The Civil Liberties Union will be on the side of that "free-speech" ex-soldier.

The distinguished gentleman from Wisconsin [Mr. BERGER] interjected a sentence into the closing remarks of the gentleman from Illinois [Mr. HOLADAY] calling attention to the situation at Hyde Park, in London, where everybody may speak. The internationalists claim that they are denied free speech here because they can not speak anywhere and everywhere, whatever and when they please. Suppose two persons with rival views try to speak at the same place at the same hour. Even the Civil Liberties people object to that if it breaks up their meetings.

One difference between the United States and London is that over there in their free-speech demonstrations in Hyde Park, they use the English language exclusively. Over here they speak in all the languages, and demand the right to do so.

We had better listen to what is being said in other languages, and we had better watch what is being printed in type other than English. The bulk of their stuff is against the right to hold and possess property.

Mr. Speaker, there are two kinds of socialists, not only here but everywhere in Europe. The two kinds are known in common language as the "reds" and the "yellows." Of course there are all variations in between.

Mr. BERGER. The right and the left. I would consider it an insult to be called yellow.

Mr. JOHNSON of Washington. Well, let the gentleman be called "left" or "right," but, perhaps, "right." You can designate a man by the paler color—perhaps pink—and that is better. As he advances in the economic scale he gets paler in the socialistic color scale.

In other words, as the socialist advances with the regular order of things in this great country of opportunity, the radicals proceed to expel him, kick him out, forbid him to run for office, and, figuratively speaking, knock his head off. Then he is a "right wing." [Laughter.]

I was pleased during the debate just now to observe that my distinguished friend from Wisconsin [Mr. BERGER] was good-natured, witty, and pleasant. His remarks brought forth laughter and applause. Ah, he has risen in the scale. He has passed the border line of the "red" type of old to the more affluent type; he approaches the parlor type which is more theoretical, more learned, solves world problems. All such become less outspoken—you see, I have read his earlier speeches—except that they seem willing to permit the pernicious ideas of the Third International to be preached to the people of the United States. But they forget that conditions are different here—better than any place in the world.

What is the matter with England to-day and its dole system? There, more than a million and a quarter are on the dole system of 10 shillings a week, and another two millions

are living from hand to mouth in pinching poverty. Why? Because England's industrial supremacy is gone. Why? Because of increased manufacturing in Germany, Japan, and the United States. Also because England's population to-day is in the cities, mostly, as a result of their "industrial revolution," which they had more than 100 years ago; caused by inventions, beginning with the use of steam, the invention of the spinning jenny, and the like, which gave them a world lead in manufacturing and made them masters of the world's markets. It is said that 75 per cent of England's population is in the cities and towns.

The rest of Europe is in desperate straits. Why? Because what they need more than a League of Nations to prevent war is a league to provide protection in industry and commerce as between the nations of Europe; to prevent cutthroat in trade and manufacture; and to provide stability in the exchange of kronen, marks, francs, and lira.

Another matter was mentioned by the gentleman from Wisconsin. He said that the immigration to the United States was good up to about the year 1900. Yes, of course it was, and a great part of it has been good since, and we have been able to take care of it through some remarkable political circumstances.

At the very year the gentleman mentioned—1900—we took a census and found that we had 76,000,000 people in the United States, a considerable part of them new immigrants, a much larger part only one generation removed, still a smaller part only two generations removed, and only three or four generations from the 3,000,000 patriots who made war against the mother country, England, in 1776. In 100 years we increased in population fifteen times, while all Europe increased only four times.

Why? Just as the distinguished gentleman says—new country, vast resources, opportunity for all. But what wonderful things have happened? What was our situation in 1900? A few years before that, about 1892, we had the Homestead riots and the attempt to assassinate Frick by the alien anarchist Berkman, whom it took us almost 20 years to deport—I mean almost 20 years after he had served his prison term for that crime. We had Coxey's army; we had come in 1896 to the election of Mr. McKinley as President, who himself was assassinated by the foreign-born anarchist Czolgosz.

We remember McKinley to-day. In his time in Congress we began to see that a protective tariff system of some degree was likely to be a fundamental policy of this Government rather than a political issue. One rarely finds an old-fashioned straight-out free trader nowadays, such as existed when cotton was king in the United States.

We began to build great cities, industry came out of its decline and flourished, so that from 1900, when the census showed us to be 76,000,000 people, we have accepted among us—from that day to this—nearly 18,000,000 alien people. But for the great World War and the quota restriction laws which began in 1921 the number added would have been 30,000,000.

But we actually imposed 18,000,000 on 76,000,000 without strain, until we learned all too late that the melting pot had ceased to work; that socialism, communism, anarchism, bolshevism, and every kind of "ism" had been imported. We invented none of these "isms."

Our sudden advance into substantial industry stepped us 50 years ahead of our national stride, so that we were able to place on the pay roll and take care of the great bulk of the new arrivals, who were coming a million a year. We housed them and were able to give them immediate employment. Industry went faster and faster; quicker and quicker were the natural resources of the country grasped and used; the public lands were homesteaded; the standard of living went higher and higher and is to-day above that of any country in the world. And why? Protective tariff and restriction of immigration. But we had to call a halt on immigration. There had to be a slowing down. More than 50 per cent of our people are in the cities. I think it was somewhere near 52 per cent on the last census. Probably it is 56 or 58 per cent now. Agriculture languishes in the country, while high-paid city labor groans at the retail price of farm products in the city. But neither immigrant nor city laborer goes to the farm. We have a desperate problem there. We will solve it, but not by lowering the tariff. That will destroy our own home market, and will help neither laborer nor farmer. It will bring on a national calamity. But we will solve this problem without advice from Russia or any other socialist or communistic country.

The gentleman from Wisconsin [Mr. BERGER] said that this Government was absolutely stupid in the handling of the Russian situation. I will tell my friend we are stupid only

in the eyes of Russia and Russian sympathizers. We may be slow, but we know what we are doing. [Applause.] Countries which have collapsed from experiments with "isms" can not give us advice. [Applause.]

The good people of the United States realize that from the beginning of the French Revolution until the third Republic a period of 80 years elapsed. The gentleman from Wisconsin thinks we are stupid because we do not join in with whatever kind of government Russia has and wave to and fro as she waves. He says they have nothing to say as to our kind of government, and we should have nothing to say as to what kind of a government they have. But they do try to say what kind of government we shall have. Trotsky, in a signed article, recently has been offering us communistic advice. Declined with thanks. [Applause.]

I would like to know why thousands upon thousands of people are standing at the portals of Russia trying to get out of that country and into the United States. They will not go to Canada or Mexico or to Australia, or to any of the few remaining open places on the globe. They must come here to live under what they call a capitalistic government. And when they get here they want to overthrow our Government—because they want the property—and Russians are still plowing with sticks in the interior of Russia for want of the intelligent use of capital.

They want to participate in the affairs of our Government, speak on the street corners, join the Communist Party, get up strikes to be "lessons in communism," to preach antireligion, and all that—in fact, a menace and a danger to our Government before they have even taken out "declarations of intention," which documents may have been all right in the old homestead days, but which is a poor process these days and should be changed.

Mr. PERLMAN. Will the gentleman yield?

Mr. JOHNSON of Washington. For a question; certainly.

Mr. PERLMAN. I have talked with hundreds of Russians that came to this country, and when they came here they came with the intention of subscribing to our laws, and they want no part of Russia.

Mr. JOHNSON of Washington. That is true as to a great many, of course; but anybody who has been in New York at election time has seen these people, either foreign born or the first generation thereafter, marching through the streets, and through the big hotels, by thousands, with banners advocating socialism, anarchism, and bolshevism.

Mr. OLIVER of New York. They all belong to the Republican Party.

Mr. JOHNSON of Washington. They belong to the Socialist Party, and they are boring their way by devious methods into both major parties.

Mr. OLIVER of New York. Tammany believes in a Republican form of Government run by Democrats.

Mr. JOHNSON of Washington. Yes; but they are being bored from within by a new sort of population.

I will say to the gentleman from New York, with all due respect to him and Tammany, that the members of Tammany are trembling in their boots to-day for fear they will be swallowed up by former Russians, former Poles, and former Italians—all, of course, Americans. It is a study in the advancing steps and increasing numbers of immigrants. The Americans of Irish ancestry see the handwriting on the wall. Oh, Tammany! [Laughter.] Even now the Italians in certain States are split down the middle over Fascism and allegiance to Mussolini or allegiance to the United States. Ask them about it. The gentleman from Wisconsin said that there are 2,000 socialists imprisoned in Russia.

Mr. BERGER. About 3,000.

Mr. JOHNSON of Washington. Well, 3,000. That is awful, but let me tell you that 3,000 is not a drop in the bucket as to what has really happened in Russia. During the first two years of the "Dictatorship of the proletariat" 10,000,000 people were killed or starved to death in that country.

In the next four years another 10,000,000 people went to their death through the new kind of government—bolshevism—murder, assassination, and starvation! And the "people"—the peasants—led the lists of those put to death—a million or more of them killed by orders from the dictators of the proletariat. Next in numbers were the workingmen; then the intellectuals, the teachers, priests, and so forth, and then the merchants, and then the bishops of the Russian church. I shall put the exact figures in the RECORD. It is the most appalling thing in all history. The population of Russia has shriveled from about 160,000,000 to 140,000,000, according to Trotsky's owned signed statement in the New York Times two or three months ago.

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Mr. Speaker and gentlemen, for all the years until recently we were able to take care of those immigrants as they came along, no matter from what country. We had no racial hatred, no religious prejudices. But the pressure to get out of Europe became too great. We had to end the idea of asylum. There is hardly a man or woman—if he serves no selfish interest—to be found in the United States to-day who does not say that the restriction of immigration is right and must continue. [Applause.] Our next step is to clean house with a rational deportation act. [Applause.]

Mr. Speaker, under permission to extend my remarks, I beg to submit a statement in reference to House Joint Resolution 172, "A joint resolution readmitting Eugene V. Debs to the right and privileges of citizenship," and to submit the following sample of a form resolution received by myself and many of our colleagues:

Resolution

DEBS'S CITIZENSHIP

Whereas in all countries except the United States all political prisoners who were sentenced during the war have not only been released but have had all civil rights restored; and

Whereas our own Government, founded in the spirit of political liberty, has demonstrated that spirit in other cases, and even toward the Confederate leaders after the Civil War; and

Whereas in Eugene V. Debs the American people have a man whose strength of character, brilliant gifts, high idealism, and unselfish devotion to the cause of freedom and human progress deserves to be commended rather than punished: Therefore be it

Resolved, That we, the Tacoma Central Labor Council, present these facts to the attention of our Senators and Congressmen and urge that, acting with the fairness that has characterized the best traditions of America, urge Congress to restore to Eugene V. Debs his civil rights; and be it further

Resolved, That we urge upon all our affiliated unions and other progressive and liberal organizations the adoption of the same or similar resolutions.

Dated April 21, 1926, at Tacoma, Wash.

W. T. MORRIS, *President*.

JOSEPH TAYLOR, *Secretary*.

[SEAL.]

Mr. Speaker, inasmuch as these resolutions and petitions have been received in considerable number and are being referred to the House Committee on Immigration and Naturalization, to which House Joint Resolution 172 was also referred and tabled, I beg to present a statement more in detail than the one made briefly on this floor a few days ago.

Let me say that Mr. Debs, having been born in the United States, is under the Constitution a citizen of the United States. He did not lose his citizenship by his conviction under section 3 of the espionage act. There is no statute of the United States providing for the forfeiture of citizenship by conviction of crime except for desertion in time of war. A number of statutes providing penalties for specific crimes impose as an additional punishment the forfeiture of office and the prohibition of ever again holding an office under the United States. The statute under which Mr. Debs was convicted does not contain such a penalty. It is believed that the only Federal statute affecting Mr. Debs's rights and privileges is section 1118 of the Revised Statutes as amended, which provides:

* * * no person who has been convicted of a felony shall be enlisted or mustered into the military service.

It is not believed that Mr. Debs is complaining of being denied this privilege, and if Congress wishes to amend this statute it is not within the jurisdiction of the Committee on Immigration and Naturalization.

It therefore appears that the Committee on Immigration and Naturalization, within the field of its jurisdiction under the rules of the House, could not report any bill granting Mr. Debs any rights or privileges of citizenship which he does not now enjoy.

It may be, and probably is true, that under the law of the State of which Mr. Debs is a citizen, he is debarred from voting and from other civil rights since most of the States have laws providing that on conviction of a felony the citizen is debarred from voting, from holding public office under the State, from serving on a jury, and so forth. This is a matter entirely within the control of the State and totally beyond the jurisdiction of Congress. It is believed that the laws of most of the States provide that a pardon of the offense for which convicted restores the civil rights. It is therefore possible that Mr. Debs, by securing a pardon from the President, could, if permitted by the laws of his State, regain his civil rights which have been taken away from him under the laws of that State.

I hope, Mr. Speaker, that those newspapers and societies which are still keeping the matter alive, and particularly those socialist papers which persist in making misstatements, will set their readers right, which, however, they are not likely to do.

Mr. SABATH rose.

The SPEAKER. Under the order of the House the Chair recognizes the gentleman from New York [Mr. JACOBSTEIN].

Mr. JACOBSTEIN. Mr. Speaker and Members of the House, I want to discuss with you to-day the coal situation and coal legislation. Instinctively the industries of this country, and especially big business, have usually resisted Government interference of any and all kinds. The railroads resisted Government regulation for 25 years, and it was not until President Roosevelt used the "big stick" that we got effective regulation through the Interstate Commerce Commission. The banking interests of this country opposed the Federal reserve system. Many of the food-preserving concerns of the United States opposed the Federal pure food laws, but I doubt whether the railroads or the banks or the food-preserving plants would want to go back to the time and methods of no regulation by the Federal Government.

So it is with the coal industry. It is opposing Government regulation and supervision. May I remind you that within the last eight years the coal industry has been investigated seven times by some branch or agency of the Federal Government. When a man breaks down in health seven times in eight years and has to be sent to a hospital and his case diagnosed seven times in eight years, naturally we conclude that there is a disease somewhere in his constitution that needs drastic treatment. This industry, both hard and soft coal, which has been examined and reexamined by Government agencies seven times within eight and a half years, must be in an unhealthy, if not diseased, condition. Therefore many of us think, including the President of the United States, the time has arrived where the public through Congress shall take steps to regulate this very important business.

The coal industry partakes of the nature of a public service. I will not say that it is a public utility in the strictly legal or technical sense as is electricity or the railroads or the street-car service, but certainly it is a quasi-public utility.

Mr. TREADWAY. Mr. Speaker, will the gentleman yield?

Mr. JACOBSTEIN. Yes; for a question.

Mr. TREADWAY. In that connection, the gentleman would not say that coal is not a public necessity?

Mr. JACOBSTEIN. Coal is as much a public necessity as the electricity that comes from the coal or the gas that comes from the coal or the transportation dependent on coal; but technically speaking the courts have not held, up to this time, that coal is a public utility.

I want to be perfectly frank in the discussion of this problem.

Mr. PERLMAN. What is the gentleman's opinion of it?

Mr. JACOBSTEIN. My opinion is that so much depends upon the use of coal that coal should be treated from a public point of view just as public utilities are treated, and if it is possible within the law to do so, I would treat it as a public utility. As the gentleman from Massachusetts [Mr. TREADWAY] suggests, it is a public necessity. On this point I will quote from the splendid report of the United States Coal Commission, Volume I, page 1:

Coal is quite as much a public necessity as gas, street-railway service, or any other service or commodity that has been brought under public regulation.

And again the commission hold—

the view that a limited natural monopoly like anthracite, held by a relatively small number of individuals, estates, and companies and supplying a necessity of life for millions of our people can not continue to be treated as if it were not affected by a public interest.

Mr. TREADWAY. Just one other question in connection with the gentleman's first remark about big business usually objecting to any regulation. Has not that been again demonstrated in the hearings that have been going on before the Interstate and Foreign Commerce Committee during the last few weeks?

Mr. JACOBSTEIN. Yes; within the last few days. The representative of the soft-coal operators, the National Coal Association (Bituminous), appeared before the Interstate Commerce Committee yesterday and to-day and resisted with all his power the effort of Congress to legislate regarding the coal industry. Labor though in general hostile to legislation was a little more favorably disposed, especially with respect to the fact-finding commission which they recommend; but generally speaking the interests within the business have not come

forward with a constructive suggestion for curing the ills of that industry.

Mr. TREADWAY. Have not the representatives of the miners practically taken the same attitude as the representatives of the operators?

Mr. JACOBSTEIN. Not quite.

Mr. TREADWAY. And what they wanted was to be left alone.

Mr. JACOBSTEIN. Generally speaking I should say that your statement is correct. The United Mine Workers Union, however, would favor a fact-finding commission, provided all pertinent and important facts were secured, covering profits, prices, freight rates, capitalization, and all the essential things that go to make up an industry. I think the United Mine Workers of America would accept that portion of my bill and the gentleman's bill and other bills which have been introduced.

My interpretation of the testimony is that the labor union will not resist this type of legislation setting up a fact-finding body which will go to the roots of the evils within the industry. Their representative, Mr. Murray, one of their vice presidents, did say, however, that the union wanted representation on such a fact-finding commission. This, of course, is impractical if not impossible, since the fact-finding agency we want to set up is a permanent bureau constituted of public officials. All the union wants is some definite assurance that the fact-finding body would be fair and get all the essential facts.

Mr. TREADWAY. I do not want to interrupt the gentleman, and I will not again.

Mr. JACOBSTEIN. The gentleman from Massachusetts [Mr. TREADWAY] was one of the first to introduce a coal bill in the preceding and this Congress. I gladly yield to him.

Mr. TREADWAY. The gentleman knows I am interested in the relief of the people. I advocated the calling of an extra session of Congress to deal with coal legislation after the coal commission made its report. In that connection is not that the sort of information we want, all the information possible?

Mr. JACOBSTEIN. Certainly. The bill introduced by the gentleman from Massachusetts and one introduced by myself call for that kind of publicity.

Mr. PERLMAN. Will the gentleman yield?

Mr. JACOBSTEIN. I will.

Mr. PERLMAN. After the fact-finding commission ascertains the facts to which the gentleman referred, what then will be the procedure?

Mr. JACOBSTEIN. If the gentleman will let me proceed just a little bit, I am sure I will touch upon that and other steps which logically follow.

I say first of all the coal industry, with \$3,000,000,000 of invested property, has here in Washington a powerful lobby. They have a right to it, but we ought to know they have it. These coal operators are organized. I have been told they have spent as much as a half million dollars a year to spread propaganda throughout the United States to influence legislation. The paid executive secretary of the National Coal Association is the Hon. Harry L. Gandy, a former Member of this House from the State of South Dakota. He is now testifying before the Committee on Interstate and Foreign Commerce. Naturally they are going to resist the legislation which the President of the United States has approved and which some of us have introduced and have been asking to be enacted for the public welfare. It is our problem, and I hope, gentlemen, that with the coming of hot weather we will not allow Babe Ruth and Walter Johnson to entirely distract our attention from this vital problem. We must not forget that another winter is coming, and we may suffer again.

I hope that we have not forgotten that the workers lost \$1,000,000 every day in the last strike, and the operators lost \$6,000,000 a month during the last strike. The aggregate loss was something like \$200,000,000 in those five and a half months of the strike in the hard-coal industry.

Mr. DICKSTEIN. On that point, what about human life and the great amount of terrible suffering from cold during that strike?

Mr. JACOBSTEIN. To say nothing of the physical suffering and ill-health resulting from the inability to get necessary fuel, especially in the Northern States during this long, cold winter. And we are not through paying. I will say to my friend from New York, we are still paying. On nearly every ton of hard coal that is bought in the United States we consumers are paying from 50 to 75 cents a ton more than we paid last year at this date. I have that verified by a letter sent to me by an important official and representative of the operators. They are not giving us the customary spring reduction this season. The customary practice is to give a 50 cents a ton reduction in the

spring in order to get people to buy coal and fill their bins in the summer time. On April 1 the price is usually dropped 50 cents a ton; on May 1, 40 cents; June 1, 30 cents, etc. They are not giving that reduction this year. The mine operators are going to put into their pockets close to \$10,000,000 on coal that is going to be purchased between now and August, and this, notwithstanding the fact that the operators said, in effect, to the public, "We will not give labor more wages because we can not raise our prices; the consumers will not stand for it." On February 15, 1926, during the recent strike, Mr. William W. Inglis, chairman of the anthracite operators' negotiating committee, said the following in a newspaper statement:

We know it can not be done [raise prices]. Even the raise in price of less than \$1 that we sought to get to cover the Pinchot 10 per cent wage increase in 1923 could not be maintained. In 1924 we got less for our coal than before the wage increase. The public simply would not pay the price.

But now, seeing that the consumers can stand for it, they are holding us up another 50 to 75 cents a ton. The operators are after "all the traffic will bear."

Mr. TREADWAY. If the gentleman will yield, the gentleman does not want to misstate the exact facts. That 50-cent reduction would not apply through to August?

Mr. JACOBSTEIN. The gentleman from Massachusetts is correct. The spring reduction begins with 50 cents a ton and tapers down 10 cents each month. It averages about 30 cents a ton running to August.

Mr. TREADWAY. But it means about \$250,000 at the present time.

Mr. JACOBSTEIN. I thank the gentleman. The operators themselves are going to put back in their pockets several million dollars to help pay the cost of the strike. The public always has paid the cost of these coal strikes. In my home city, Rochester, N. Y., we consumers are paying to-day from 60 cents to 75 cents a ton more than we paid last year at this time for egg, stove, and chestnut sizes of anthracite coal; this notwithstanding the fact that the operators did not increase wages and freight rates have remained the same. The operators claim they were operating at a loss last year, but the report of the United States Treasury Department on the taxes paid by the anthracite companies disproves this alibi. The fact is, the operators are taking advantage of the buyer's fear psychology that there may be a shortage again next season, and hence need no incentive to buy such as is usually given by a reduction in the spring.

Mr. TAYLOR of West Virginia. If the gentleman will permit, the gentleman is speaking of anthracite coal?

Mr. JACOBSTEIN. Yes. Later I will discuss soft coal.

Mr. RAGON. Will the gentleman yield?

Mr. JACOBSTEIN. I will.

Mr. RAGON. I understand the coal operators have been asking these spring prices, which are a reduction from summer and fall prices, for the purpose of inducing the consumers to buy. Now, the gentleman says they are maintaining the same prices during the entire year?

Mr. JACOBSTEIN. Yes; but we do not know what the operators are going to do later on with regard to prices, because when September, October, and November come the consumers will be anxious to fill their bins; but what the operators may ask in the way of prices in September, October, and November the Lord only knows.

Mr. RAGON. Does not the gentleman think the reduced prices they give helps the industry, levels it up?

Mr. JACOBSTEIN. Yes; but they did not do it this spring.

Mr. RAGON. Will not the result be the same? Will not the consumer say, "I will not take this advantage; I will wait until I need the coal"?

Mr. JACOBSTEIN. But the purpose of the lower spring price is to stimulate demand in order to spread production and delivery more regularly throughout the entire year. The public is losing the advantage in price it usually enjoys by co-operating in placing their orders in spring and summer at the lower prices.

For instance, with that strike fresh in my mind, I say to myself, "I do not want to be caught without coal next winter," and so I put in my order now. In this way the operators are taking advantage of that psychology and charging me from 50 to 75 cents a ton more than last year.

Many of the companies made large dividends last year with prices from 50 to 75 cents lower than the prices of to-day. Nobody can doubt this fact, namely, that every consumer in the United States, except in rare exceptions, is paying from 50 to 75 cents more without an increase of wages or an increase of freight rate having intervened.

Mr. WOODRUFF. Mr. Speaker, will the gentleman yield? Mr. JACOBSTEIN. Yes.

Mr. WOODRUFF. The gentleman has outlined very clearly how the coal operators expect to be reimbursed for the losses they suffered during the recent strike. They are going to be reimbursed by the maintenance of the present price, and they may advance the price later on beyond what it is now. The operators may recover for their losses, but there is no possible way for the man to recover who works in the mines.

Mr. JACOBSTEIN. What you say is true. The workers lost \$1,000,000 a day. They may recover a little bit by virtue of the fact that they may be kept busier filling orders until the industry creates another surplus supply. They can work at steadier time now, to make up the shortage.

Mr. WOODRUFF. But only for a short time?

Mr. JACOBSTEIN. Yes. The workers have lost. They can not recover. The operators are now charging all that the traffic will bear in order to recoup some of their losses. If they can maintain the higher price they will enjoy a permanent benefit from the strike.

Mr. TREADWAY. If the demand gets greater as the winter approaches, without any governmental control of regulation, they can still jack up the price?

Mr. JACOBSTEIN. Yes. There is nothing to prevent the operators from charging another 50 cents per ton, just as there was nothing to prevent them from charging this present price of from 50 to 75 cents more than last year.

Mr. MOORE of Virginia. Mr. Speaker, will the gentleman yield there?

Mr. JACOBSTEIN. Yes.

Mr. MOORE of Virginia. I recognize and everybody recognizes the diseases or evils that exist. What about the remedy? I would like to hear of the remedy.

Mr. TREADWAY. Mr. Speaker, I ask unanimous consent now that the time of the gentleman from New York be extended 15 minutes. We have taken at least that much time from him, and he is entitled to make his own statement. I ask that his time be extended 15 minutes.

The SPEAKER pro tempore (Mr. LEHLBACH). The gentleman from Massachusetts asks unanimous consent that the gentleman from New York be given 15 minutes more. Is there objection?

There was no objection.

Mr. JACOBSTEIN. I know you are interested in the remedy to be proposed. I am going to pass over hurriedly, therefore, as the gentleman from Virginia [Mr. MOORE] suggested I do, the diseases that exist in the industry, in order to come to a discussion of the remedy. There is an economic situation in the hard-coal industry which must be recognized. There are mines producing at low cost, and there are other mines producing at high cost, and the low-cost mines are making a lot of money, while the high-cost mines are breaking even and often lose money in normal peace times. What we have got to do is to help create a situation by which we can prevent the low-cost mines from using the high-cost mines to gouge the public and beat down labor standards. This is an economic fact that I want you to get hold of. It is a basic idea to an understanding of the anthracite situation. If you do not cure that economic fact, nothing permanently effective can be done by legislation.

Mr. BLACK of Texas. Mr. Speaker, will the gentleman yield?

Mr. JACOBSTEIN. Yes, indeed.

Mr. BLACK of Texas. The gentleman probably knows, for example, that the farmer experiences that same difficulty. The farmer who has rich, fertile land, and makes a bale of cotton to the acre, produces very much more cheaply than the farmer who has land that is not fertile and who makes a bale of cotton to every three or four acres; and the same is true in the case of the production of wheat, and in the production of corn.

Mr. JACOBSTEIN. With this difference: The farmer who has low-cost land produces as much as possible in trying to make his land yield the maximum returns. But in the hard-coal industry 70 per cent of the hard coal is produced by less than 10 big companies. They cooperate and the price is uniform for these large "company" mines. The price quoted to-day is a common uniform price. The price quoted for hard coal is that "circular" price that is fixed by these "railroad" companies, less than a dozen in number, located within 500 square miles of territory in the State of Pennsylvania. You have there a semimonopolistic situation which is different from the present agricultural situation. In anthracite we have a concentrated ownership, in a restricted area, and harmonious operation by the few owners as to price.

Mr. BERGER. Mr. Speaker, will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. BERGER. Is it not a fact that the big companies control 75 per cent of the output? Granting this fact, which is an inherent and economic fact, how can the gentleman cure the ills while this fact exists?

Mr. LAGUARDIA rose.

Mr. JACOBSTEIN. I do not want to be discourteous to the gentleman from New York and I will yield to him, but after that I hope to be allowed to proceed in order to reach the remedy.

Mr. LAGUARDIA. Is not the difference between the low-cost and the high-cost mines shown in the wages paid to the miners?

Mr. JACOBSTEIN. No. I am referring to the natural conditions of the mines—mining conditions, natural difference in seams and quality of coal, and so forth.

Mr. LAGUARDIA. You assume that the labor conditions are equal?

Mr. JACOBSTEIN. Yes. It is a 100 per cent union in hard coal. They standardize wage conditions. Every employer pays the same wage. But the fertility of the mine determines the cost of production. The low-cost operator says, "I can not pay you greater wages because I can not increase the price." He means the high-cost operator can not increase the price. So the low-cost mine uses the high-cost mine to keep wages down.

Mr. LAGUARDIA. How does the gentleman account for the harmonious price in all mines without a violation of the antitrust law?

Mr. JACOBSTEIN. No one has yet charged the hard-coal industry with violating the antitrust law—at least, we have not caught them with the goods. It is a fact, however, that the prices are standardized for what we call the railroad coal companies. About 25 per cent is mined by independents, whose prices are higher than the "company" or "railroad" coal.

Mr. LAGUARDIA. In some mysterious way the price is uniform for the coal of the big companies?

Mr. JACOBSTEIN. Yes. Of course, you know that at one time they were all united and tied up with the railroads of the United States, but that combination was dissolved by a decision of the Supreme Court of the United States.

The hard-coal situation has eased up only in so far as a temporary arrangement has been made—a truce, a temporary arrangement by which either party may upset the machinery and we may be faced with another strike next year or the year after. The agreement signed this year, in February, is not a permanent peace treaty. It is a truce. The warring camps are on opposite sides of the hills. There is no assurance of peace in the anthracite industry.

Now, what is the soft-coal situation? Well, the horizon there is also clouded and it is very, very black. As some of you know who live in coal areas, the poor coal miners in Ohio, Illinois, Indiana, and western Pennsylvania are working two and three days a week. You know there is a fight on between the northern soft-coal fields and the southern soft-coal fields. There is a fight between the union and the nonunion fields. I have not the time to elaborate on this, but I am giving you the conclusions.

There are in this country to-day about 200,000 men idle all the time. If you will add up the man power that is idle in the course of a year, it would total 200,000 men at any single day in the year.

That situation is so bad that no less an engineer than Mr. Hoover has declared the coal industry the worst functioning industry in the United States. He had in mind this overproduction, this overdevelopment of the industry, and the lack of machinery used in the mining of coal; he had in mind the fact that there are too many men in the industry and that the whole industry is chaotic and unorganized and characterized by bad management. So Mr. Hoover refers to it as the worst functioning industry in the United States.

The Jacksonville agreement between the miners and the operators expires a year from to-day or, to be exact, March 31 of next year. On March 31 of next year this little agreement which I hold in my hand expires; this agreement signed and ratified by the operators of what is known as the central field in the North and by the United Mine Workers of America expires on March 31. Before that agreement expires they are going to try to get together, and then you have dynamite for an explosion.

There is nothing in this arrangement which makes for peace. On the contrary this agreement has been violated, it is alleged, by several of the largest coal companies in the United States, having arbitrarily reduced wages 33 per cent below the wage scale called for in this agreement. What does that mean? That means that the union operators everywhere are going to

ask for a wage reduction to enable them to compete with the nonunion fields of West Virginia, Kentucky, Tennessee, and Alabama. The mine workers, who are not earning too much, are going to resist a wage cut, and we may be faced with one of the greatest strikes this country has ever seen. If you have forgotten what a strike in soft coal means let me tell you this: We had a soft-coal strike in 1922, which tied up a great many industries; it crippled transportation and the price paid by industry in the three months of October, November, and December following the strike was several hundred million dollars, in order to recoup the employers for the loss sustained during that strike of five months in 1922.

Now we here, representing the public, have a responsibility. We ought not to adjourn until we have faced the situation and provided some machinery which will prevent or take care of that emergency when it arises. [Applause.]

The situation was very keen in 1923, and I want to summarize very briefly what some of you have probably forgotten and which has not been adequately presented before the Committee on Interstate and Foreign Commerce. If you will look at President Coolidge's Annual Message to Congress of 1923, you will find that the President practically recommended a fact-finding commission. He said that—

the ascertainment and publishing of facts would exercise a great influence.

The President of the United States also said that—

the President should have authority to appoint a commission empowered to deal with whatever emergency situation might arise and to aid in the conciliation and voluntary arbitration of any existing or threatened controversy.

That was in 1923. In 1925 he repeated his recommendations, although not so concretely. Still, he does say that we ought to follow or at least study the recommendations of the coal commission, and the recommendations of the coal commission are the recommendations embodied in several of the bills now before the committee. Only a few weeks ago, I believe on April 3, the spokesman of the White House reported President Coolidge as stating that there should be "legislation which would empower the President to appoint a mediation board in the event of a coal strike or a threatened coal strike and which would provide machinery for coal administration and distribution in the event of a fuel shortage," at this session of Congress. So you have, therefore, three recommendations of President Coolidge, a fact-finding agency and a fact-reporting agency, labor adjustment machinery, with conciliation, voluntary arbitration, and compulsory investigation and, third, to provide machinery for coal administration and distribution of coal in the event of an emergency. All of these remedies are embodied in my bill and some of these recommendations are embodied in a number of bills that have been introduced by several other Members at this session of Congress. I have them all here. I do not remember how many we have, but if you will go over all the bills you will find that these three remedies have been proposed, for the most part, in at least a half dozen bills, and similar bills are pending in the other branch of Congress.

Mr. TREADWAY. Would the gentleman mind an interruption there?

Mr. JACOBSTEIN. No.

Mr. TREADWAY. Has the gentleman in the course of following the hearings before the Interstate and Foreign Commerce Committee found any evidence that would tend to show that those remedies were not perfectly practical and possible to put into execution?

Mr. JACOBSTEIN. Well, of course, it is only fair to the industry to say that labor was there, but the operators have not yet completed their testimony. I do not know what they are going to say, but judging from what they said this morning and yesterday and judging from the reports published by their publicity bureau it is not likely they are going to favor any legislation whatever; rather they are going to resist any effort on the part of Congress to do anything.

Mr. TREADWAY. That is not evidence, at least it is not good evidence or disinterested evidence that the recommendations of the President or the suggestions contained in the gentleman's bill or the bill which I have introduced are not practical and possible.

Mr. JACOBSTEIN. You are correct in what you say. They have made only a legal argument. Of course, they do not want any legislation, but they say even if they did want it or even if Congress should enact it it would be unconstitutional; that you could not get anywhere with it because the Supreme Court would throw it out. That much they have stated.

Mr. TREADWAY. Would it not be just as well to have the Supreme Court pass on the propositions we have proposed rather than take their word for it?

Mr. JACOBSTEIN. I do not think we ought to admit we are going to be beaten in the Supreme Court before we start. Although I am not a lawyer, a decision has come to my attention which will be of great interest to the gentlemen of the House, and I want to quote just a passage from it before passing more particularly into the remedies which have been proposed. In a very famous coal case, United Mine Workers against Coronado Coal Co., the Supreme Court of the United States referred to this question. It is true that in a number of decisions the court had held that coal mining is not interstate commerce, per se, and therefore under the commerce provision we might not be able to do anything. Now listen to this statement from the case just referred to:

It is clear from these cases [citing a number of cases] that if Congress deems certain recurring practices, though not really a part of interstate commerce, likely to obstruct, restrain, or burden it, it has the power to subject them to national supervision and restraint.

Now, if the English language means anything, it means that practices within an industry, like strikes, lockouts, or any practices within the industry which lead to a shortage of fuel, which make it impossible for the trains to operate efficiently or lead to a national emergency, such situation arising from such practices, empower Congress to act and the President to act. This legal argument is too complicated to admit of a lengthy discussion of it at this time, even if I were qualified to discuss it, but I do want to at least suggest that you do not submit blindly to the proposition that the Supreme Court is going to declare our proposed legislation unconstitutional.

Mr. WATRES. Will the gentleman give the reference to that case?

Mr. JACOBSTEIN. I will put the reference and the citations in the RECORD at this point, namely, Two hundred and fifty-ninth United States Reports, page 344.

Mr. BERGER. Will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. BERGER. I did not quite understand one of the propositions about the President. You said that the third alternative is for the President to take charge of the distribution of coal in case of an emergency. Did I understand the gentleman correctly?

Mr. JACOBSTEIN. Yes; and with machinery for administration, too.

Mr. BERGER. What does that mean—where is he to take the coal and whose coal is it to be?

Mr. JACOBSTEIN. I will tell the gentleman what it means. First, we ought to have somewhere in Washington an agency—it is not necessary to have an independent bureau, and it might be a part of the Bureau of Mines of the Department of Commerce—which ought to be getting all the facts about the industry. Having all the facts before us as to profits and prices, we would then be in a position to know what we are going to do if we have to take over the mines. I am not saying we should take them over, but if an emergency arises and the workers and the operators can not get together, then we would have this information as a basis for taking over the mines and operating them. I hope both parties—labor and capital—can get together; and the second provision of my bill provides that they be permitted and encouraged to get together alone, aided by the Government; but if an emergency arises, then the President is authorized to take over as much of the mines, as little or as much or all if necessary, and operate them during the emergency for the public welfare. The Government would take them over as it took over the railroads during the war.

Mr. BERGER. Will the gentleman yield again?

Mr. JACOBSTEIN. Yes.

Mr. BERGER. Are the strikers to be compelled to work them?

Mr. JACOBSTEIN. No.

Mr. BERGER. Who is to work them?

Mr. JACOBSTEIN. It would not be necessary for the Government to operate these mines directly or by lease. They could say to the owners, "We will lease these mines to you on certain conditions; we want coal and we want a steady supply of coal; we want an adequate supply of coal at a reasonable price, and we want to see that the wage earners get their proper wage and property its fair return."

Now, the gentleman has asked a second and a very important question—"How are you going to operate the mines, and can you make the workers work?" No; you can not.

Mr. BERGER. I mean the strikers.

Mr. JACOBSTEIN. You can not make the strikers or any other workers in the United States work at the point of

bayonets. You can not do that in our country. Thank God! Nobody is advocating compulsory labor; not even compulsory arbitration, I will say to the gentleman from Wisconsin. The miners have a right to quit, but I will say this to the gentleman: I think if all the cards were on the table and the miners knew all about the profits and losses that were being made and that prices were being looked into, freight rates were being examined, and the whole industry being exposed, I think labor would be willing to say to the Government, "We will work until you provide a proper settlement of this dispute."

Mr. BERGER. Will the gentleman yield further?

Mr. JACOBSTEIN. Yes.

Mr. BERGER. The gentleman declared coal to be a public utility.

Mr. JACOBSTEIN. Yes; a quasi public utility.

Mr. BERGER. I absolutely agree with the gentleman. In my State of Wisconsin where progressivism is blooming, as the gentleman probably knows, and where they have adopted some of our socialist remedies and put sugar and water in them and tried to legislate and to regulate public utilities, we have 62 commissions for the regulation of industry and public utilities, and I will say to the gentleman that every one of them is an absolute failure. I have lived there for 50 years.

Mr. JACOBSTEIN. That proves nothing.

Mr. BERGER. You can not regulate what you do not own.

Mr. JACOBSTEIN. I am not advocating Government ownership or nationalization, and I want to tell my colleague, the gentleman from Wisconsin, if he has not already done so, he ought to read a recent report just gotten out by the Royal Coal Commission of Great Britain. They have a coal problem there, too, not unlike our own. They have studied the question of nationalization and have rejected it as a remedy for the coal problem.

There are economic conditions in the coal industry which can only be cured by the industry itself. I am not claiming that Government regulation or supervision is going to cure all the ills of the industry. I think the ills in this industry, like other ills, have to be cured by those directly responsible, but in the meantime the public ought not to be left unprotected in case of another emergency.

Mr. LAZARO. Will the gentleman yield?

Mr. JACOBSTEIN. I will.

Mr. LAZARO. The gentleman has said that Congress ought not to adjourn without enacting some legislation regulating the coal industry.

Mr. JACOBSTEIN. Yes.

Mr. LAZARO. We have been in session since December. What progress has been made?

Mr. JACOBSTEIN. I have followed it very carefully, and I want to say that the Committee on Interstate and Foreign Commerce has held and is still holding hearings and has been considering coal legislation. I wish they had begun their hearings earlier. I think they should have begun in December.

Mr. LAZARO. Then it is not the fault of Congress.

Mr. JACOBSTEIN. We should have prodded the committee, but everyone here knows they have been working very hard. As I say, I think they should have begun the hearings in December. We have only a few more weeks, and in the closing days we may fail to secure the protective legislation or such as we would have had if the hearings had begun in December. But it is not too late even now.

Mr. PARKER. Will the gentleman yield?

Mr. JACOBSTEIN. Certainly.

Mr. PARKER. Does the gentleman think that we would have got any information that would have been of much use if we had started the hearings while the strike was in progress?

Mr. JACOBSTEIN. I think the hearings should have begun in December and they would not have affected the strike nor would the strike have affected the deliberations of the committee.

Mr. PARKER. Does the gentleman believe that you can pass permanent legislation as effectively during an emergency as you can after the emergency has passed?

Mr. JACOBSTEIN. No; you are right, but I think the deliberations of the committee might have begun earlier. If they had begun three months earlier, to-day we would have had before us a well-thought-out and well-considered and well-prepared piece of legislation.

Mr. PARKER. We began just as soon as the strike was over.

Mr. JACOBSTEIN. The hearings did not begin until the latter part of March or 1st of April.

Mr. TREADWAY. Will the gentleman yield?

Mr. JACOBSTEIN. I will.

Mr. TREADWAY. I want to call the gentleman's attention to the fact that the committee has been at work steadily and

that we have had several times assurances by the chairman that the bill would be reported before adjournment.

Mr. JACOBSTEIN. I congratulate the committee on the earnestness and sincerity of its work. All I wish is that the work had not begun so late. We now have no bill from the committee before us for action. I want to say that it is possible now to take the first step in the three weeks that are left. The committee ought to report a bill in this Congress, even if it is not perfect in every respect. We must make a beginning.

Mr. PARKER. Will the gentleman yield?

Mr. JACOBSTEIN. I will.

Mr. PARKER. It is the intention of the committee to report a bill very soon.

Mr. JACOBSTEIN. I am happy to learn that we have the assurance of the chairman of his hard-working Committee on Interstate and Foreign Commerce that we are going to be called upon to vote or have an opportunity to take the first steps in enacting coal legislation.

Now, if I had more time, I would like to analyze the economic conditions in the hard and soft coal industry. We will never cure the evils in the hard and soft coal industries until we unify these industries. The hard-coal industry has a hard nut to crack because of the high cost of mining in competition with low-cost units. This produces an economic deadlock. We can produce 800,000,000 tons of soft coal and we only need 500,000,000 tons, and that situation is not sound; it is wasteful, and the public is paying the price.

How are you going to cure that? I think there ought to be an opportunity given to the industry to organize itself so that it can work cooperatively, just as we say the farmers ought to work without being dragged into court for violations of the Sherman antitrust law. We will have to do something to unify the coal industry before we can really solve the problem. My plea to you to-day is simply this: I do not want this Congress to adjourn and have the public say that it was suffering from "sleeping sickness." We ought to be wide awake and not have to be awakened by the shock of another strike.

Mr. MOORE of Virginia. And it is clear, is it not, that Congress can enact into law some of the recommendations of the President?

Mr. JACOBSTEIN. Yes; absolutely.

Mr. MOORE of Virginia. So far as the regulations are concerned, the gentleman is debating the great question of whether we can regulate under the authority of the principle declared in the Coronado case, based upon the commerce clause of the Constitution.

Mr. JACOBSTEIN. Yes. Some people have advocated putting it under the "general-welfare" clause of the Constitution, but I would prefer to put it under the "commerce clause." This does affect interstate commerce, and we have a right to protect the people in a great public industry like coal. It is the basic industry of the United States and of all other industrial countries. I think we have that right. The President has recommended it on three separate occasions, and the coal commission in its five-volume report, and having the advice of great legal talent, recommends that which I am now proposing this Congress shall do.

Mr. BLACK of New York. Mr. Speaker, will the gentleman yield?

Mr. JACOBSTEIN. Yes.

Mr. BLACK of New York. The President did not see fit to come into Congress with a concrete plan, just as he did with the tax-reduction plan and with agriculture. This is just as important. He did not consult his legal department on the legality of the situation and did not have his Commerce Department prepare a comprehensive plan.

Mr. JACOBSTEIN. President Coolidge's recommendations in 1923 were more explicit, more concrete, more to the point as a basis for legislation than his recommendations in 1925, but his statement in 1926 clarifies the situation. The President, I think, realizes that the public is entitled to legislation from this Congress. We ought not to pass the buck. The President said during the last strike that he is without authority to act, and we ought not to adjourn before giving him that authority.

Mr. BLACK of New York. But he wants us to adjourn right away.

Mr. JACOBSTEIN. I do not know whether he does or not. I do not breakfast with him.

Mr. BLACK of New York. Ask the gentlemen who were at the breakfast.

Mr. JACOBSTEIN (reading):

The Committee on Interstate and Foreign Commerce gives us its assurance that they are going to bring legislation into the House dealing with coal.

Mr. BEGG. What concrete plan has the gentleman to offer which he is advocating?

Mr. JACOBSTEIN. I have been setting forth my ideas here for 45 minutes on a number of bills, including my own.

Mr. BEGG. I understand what the gentleman's bill is; but, in a word, what does he want Congress to do?

Mr. JACOBSTEIN. If the gentleman will go back over President Coolidge's recommendation—

Mr. BEGG. But I do not want to know what his recommendations were, but what is the gentleman asking?

Mr. JACOBSTEIN. It will take 45 minutes.

Mr. BEGG. It seems to me that the gentleman ought to tell in a word or two.

Mr. JACOBSTEIN. Three things. We must establish a permanent working fact finding and fact reporting bureau; second, we must establish machinery which will help in the mediation and arbitration of the disputes before the dispute breaks out, with power to investigate and report to the public before a strike is legally declared; and, third, empower the President to operate the mines in case of a real emergency.

Mr. BEGG. What kind of machinery?

Mr. JACOBSTEIN. That is going to take time to explain. I have explained it in my remarks to-day.

Mr. BEGG. Does the gentleman want compulsory arbitration?

Mr. JACOBSTEIN. No. [Applause.]

The SPEAKER. The time of the gentleman from New York has expired.

UNFINISHED BUSINESS—WOMEN JURORS

Mr. ZIHLMAN. Mr. Speaker, I call up the unfinished business.

The SPEAKER. The unfinished business is the third reading of the bill (H. R. 5823) to amend the Code of Law of the District of Columbia in relation to the qualifications of jurors. The Clerk will report the bill on its third reading.

The bill was read a third time.

The SPEAKER. The question is, Shall the bill pass?

The question was taken, and the bill was passed.

A motion to reconsider the vote by which the bill was passed was laid on the table.

BUREAU OF CUSTOMS AND BUREAU OF PROHIBITION, TREASURY DEPARTMENT

Mr. SNELL. Mr. Speaker, I call up House Resolution 237, a privileged report from the Committee on Rules, which I send to the desk and ask to have read.

The Clerk read as follows:

House Resolution 237

Resolved, That immediately upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of H. R. 10729, a bill to create a bureau of customs and a bureau of prohibition in the Department of the Treasury. After general debate, which shall be confined to the bill and shall continue not to exceed two hours, to be equally divided and controlled by the chairman and ranking minority member of the Ways and Means Committee, said bill shall be read for amendment under the five-minute rule. At the conclusion of such consideration the committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and all amendments thereto to final passage.

Mr. SNELL. Mr. Speaker, the rule needs very little explanation. It simply provides for the consideration under the general rules of the House, for two hours of general debate, of the bill (H. R. 10729) to create a bureau of customs and a bureau of prohibition in the Department of the Treasury. Its general purpose is a reorganization within the Treasury Department and the creation of a special bureau of customs and a bureau for the enforcement of prohibition. It has been understood for some time that there is a great need for a change in the carrying out and the enforcement of the custom laws of the country, and that certain detail work that is under present law performed by the Secretary of the Treasury himself should be placed in the hands of some bureau commissioner with authority to act in the place of the Secretary of the Treasury. While the bill does not give any additional powers to the Secretary of the Treasury or to anyone in the departments, nor in any way repeals existing law, it does give power to detail such authority to a commissioner of customs.

It is the same way in connection with the enforcement of prohibition. That now is under the Commissioner of Internal Revenue. All that anyone in that position can do is to attend to the collection of taxes in this country. This bill creates a special bureau for the enforcement of prohibition and a commissioner of that bureau who reports direct to the Secretary

of the Treasury. It is expected that these changes will tend toward more efficiency in both of these bureaus and without any material cost to the Government. It is largely a reorganization within the department itself and it is not expected to increase the number of employees in the department. As far as I know, there is no opposition to the consideration of the bill. It comes with a unanimous report from the Committee on Ways and Means, and there is no opposition in the Committee on Rules to its consideration at this time. Does the gentleman from Alabama desire any time?

Mr. BANKHEAD. I would like to have about 10 minutes time.

Mr. HASTINGS. This does not change existing law, but simply the administration of it?

Mr. SNELL. Simply the administration of it, as confined to the Treasury Department. I yield 10 minutes to the gentleman from Alabama [Mr. BANKHEAD].

Mr. BANKHEAD. Mr. Speaker, I yield five minutes of that time to the gentleman from Illinois [Mr. SABATH].

Mr. SABATH. Mr. Speaker, and gentlemen of the House, invariably I am opposed to consideration of legislation under a special rule, but to-day I am ready and willing to support the resolution, because I am anxious to give the prohibition department and all the advocates of prohibition such legislation as they desire and which they have appealed for.

It is the law of the land and I believe that the law should be enforced. I have voted for every measure, for every proposition offered ever since the enactment of the Volstead Act, to enable the officials to enforce the law. I realize, Mr. Speaker, and gentlemen of the House, it matters not what legislation we adopt, how much money we expend, that the Volstead Act as it now is on the statute books can not be enforced. These are not my views—they are the views of all clear-minded, well-meaning, sincere men and women who have carefully studied the conditions and who have the interest of our country at heart. Only a few days ago I have noticed that Mrs. Parkhurst, one of the foremost leaders in temperance, as well as Angela Kauffman, the founder and president of the International Narcotic Crusade, is of that opinion that there are thousands of men and women of this Nation voice the same sentiments. I might include here General Andrews, General Butler, and others. Only a few days ago District Attorney Buckner and a great many others whom I listened to, including Mr. Dever, mayor of Chicago, who, for three years honestly tried to enforce the law, and what did he say? He appeared before the Senate committee and stated, "I came to the conclusion that it is absolutely necessary in the interest of the Nation that the Volstead Act should be amended. He made a strong plea for the modification as any "wet" possibly could make it, and he is one of the very few mayors of a large city in the United States that has tried honestly and sincerely to enforce the law.

I feel that it must be conceded by the most extreme prohibitionists that he is an honest and fearless executive, and has endeavored to force the county, State, and Federal agencies to enforce the law. He made it plain to the country that enforcement of the Volstead Act would be at a tremendous cost; namely, at a cost of breaking down all other activities of municipalities and the States and also the Federal Government. I observed that he has with all force at his command tried to impress upon everyone the necessity that something must be done to end the deplorable conditions that prohibition laws have brought about. The Anti-Saloon League have made the people believe in the strongest possible terms that national prohibition would forever eliminate drunkenness, stop crime, empty jails, eliminate causes for divorce, lower the taxes, and that we would have a sane and sober Nation. The last two weeks testimony has been given before the Senate committee which was positive proof that drunkenness had increased, crimes had multiplied, insane asylums, sanitoriums, and hospitals were crowded with drug addicts, the jails overcrowded, and requiring new jails and penal institutions to be enlarged and erected, even in the District of Columbia; that divorces have doubled, and that the cost of living and taxation has nearly trebled, bringing about a general disregard and disrespect not only of the prohibition law but unfortunately of all the laws. These facts can not be truthfully denied by anyone. The adroit and resourceful prohibitionist, realizing this condition—realizing that all that has been claimed for prohibition has failed to materialize—now comes forth with a new claim; namely, that prohibition has brought about prosperity. The fact is that we have prosperity notwithstanding the prohibition law. However, I concede that certain people have prospered under these laws; namely, the illicit manufacturer and the bootlegger on the one hand and the professional prohibitionists on the other hand. Where the pro-

fessional prohibitionists before prohibition received from \$1,500 to \$1,800 a year, they are now drawing double, yes treble, that amount. Yes; some are drawing as much as \$7,500 a year. They surely have been prospering, but not only they themselves but their friends and all those who have cooperated with them and enabled them to force this unfair, unreasonable legislation upon the country. Of course, there are others that have benefited. There are thousands of jobs that have been created for the prohibition patriots with the Government who are drawing all the way from \$2,000 to \$10,000 from the Federal Treasury annually. So surely these two classes as well as the still and hip pocket flask manufacturers have and are prospering, but oh, at what a cost to the Nation.

A few days ago Bishop Cannon stated that the wets are responsible for the corruption now prevalent in the United States. The truth is that this vicious prohibition act is responsible for this wave of crime, for the corruption and disregard of all laws. It is conceded by all that human nature can not be changed by law, and consequently the body continues to demand stimulants, and no law will stop it. In view that such beverage can not be secured lawfully, people will get it unlawfully, and as the demand increases booze will be secured by the wealthy and rich class at any price that are in position to pay \$10 to \$15 a bottle; this means prosperity to those who can supply it. Therefore, the criminal element within our country, the class who formerly were known to the police as pocket and sneak thieves, gunmen, and hold-up men, find it more profitable supplying this beverage than their old and more dangerous trades brought them, and without as great a risk as in their former activities. In other words, prohibition opened easier avenues at a lesser risk to live in luxurious ease for the criminal element and at the same time this lucrative business makes possible the bribing and corrupting of not only policemen, sheriffs, deputies, but prohibition agents, court attachés, and public officials everywhere, and has demoralized the military forces of America and is responsible for the loss of more of America's naval destroyers than our country has lost during the World War; and if there is any doubt in the mind of anyone, let him investigate the record. Therefore, I reiterate it is not the wets, but it is this present obnoxious prohibition act that is responsible for the conditions and corruption now prevalent. By this time you must realize that the great majority of American citizens resent this law, and it must be conceded that you can not enforce a law that has not the approval and sanction of a majority. Whilst our country was at war and all patriotic Americans devoted all their thought and energies how to aid this Nation in securing an early and favorable termination of that great conflict, and while upward of four million citizens and soldiers of this country were fighting abroad for humanity, the independence of nations, and liberties of people, the Anti-Saloon League and other unscrupulous prohibitionists devoted their time to raise funds with which to build up their organization, and with their contemptible propaganda they created false sentiment among the unsuspecting, well-meaning, church-going men and women and thereby succeeded in using them for their nefarious schemes and activities and utilized them to fill their coffers. In this I am substantiated by no less a personage than "Pussyfoot" Johnson, who, in an article, boasts of the underhanded, lying, contemptible activities that were employed by him and his associates. With the funds so collected and the lying propaganda they have taken advantage of conditions and forced through Congress by misrepresentation and by their false promises the amendment to our Constitution, known as the eighteenth amendment, and by their high-handed methods have forced the State legislatures to act without ever giving the American people time to realize what was transpiring. They have made the people believe in the strongest possible terms that the national prohibition act would forever eliminate all evil, which is more a dream than a reality.

Oh, I appreciate that Mr. Wheeler, Doctor Dinwiddie, Bishop Wilson, "Pussyfoot" Johnson, and all other professional prohibition leaders and advocates will ridicule and attack and malign everyone who is courageous enough and advocates any change. The people of the United States realize the intolerable conditions now existing under the prohibition law, and it is beyond question that the majority are in favor of modifying the Volstead Act. Yes; even the repeal of the eighteenth amendment. This is made clearer from day to day. The nation-wide newspaper poll proved this. A few days ago a poll was taken at Yale College which showed the students and professors of that institution were in favor of modification or repeal of the present law by a 5 to 1 majority. Again, the National League of Women Voters in their St. Louis convention, held a few days ago, by a vote of 171 to 79 refused to

approve the present prohibition law. Every day men and women who have made a study of this question, who have tried to enforce the law, such as General Andrews, Mayor Dever, and others, were obliged to concede that the law can not be enforced and something must be done. While the Volstead Act was being forced through Congress assurances have been made that \$5,000,000 annually will suffice for the enforcement of the law; to-day you know that the enforcement of the law this year will cost the people of the United States forty millions and, as many have stated, even with an expenditure of one hundred millions and the use of the Army and Navy it will be impossible to enforce it. This is only the cost of the Federal Government itself. Taking into consideration what it costs the municipalities and the States, it will reach the colossal sum of \$200,000,000. And, remember, the amount we are now expending is much greater than the entire cost to run our Government in the year 1860. But in view of the sentiment created on the part of the prohibitionists I feel that we for another year should give those who believe the law can be enforced all the aid and all the assistance and all the money that they desire, and I am ready to-day to vote for an additional ten million, twenty million, or twenty-five million dollars if I thought they could bring about an enforcement of the law. I voted for all these appropriations, and I shall continue to do so. I should like to see the law enforced in every section of the land—in my section, in Georgia, Alabama, the Carolinas, and Texas as well—but I believe the moment you actually enforce the law as it should be enforced that moment America will rise en masse and demand a modification of this unreasonable, un-American, unjust, and unfair legislation. That is the reason I shall vote for this legislation and for any legislation that will bring about an enforcement of the law.

Mr. LOWREY. Will the gentleman yield?

Mr. SABATH. I will yield.

Mr. LOWREY. The gentleman says he will vote to enforce the law because the gentleman believes that when it is enforced it will be repealed. Then the gentleman admits he is more against prohibition that would prohibit than one that would not.

Mr. SABATH. I am against prohibition because I believe the legislation has been a curse for the Nation. I am for temperance which will bring about law and order, and I am against this kind of legislation that brings about disorder and general disregard of all laws. [Applause.]

The SPEAKER. The time of the gentleman has expired.

Mr. BANKHEAD. Mr. Speaker, I yield five minutes to the gentleman from North Carolina [Mr. POU].

Mr. POU. Mr. Speaker, I shall support this rule because it makes for better enforcement of the prohibition law. I have been here a good long time, Mr. Speaker. I think there are about three gentlemen who outrank me in length of service. I remember conditions in the old régime quite well. There was a barroom down where the restaurant is now. There were tables around which friends gathered, and you could get almost any kind of a drink—mixed drinks, whisky, wine, and beer.

Mr. CAREW. What is the gentleman smiling at?

Mr. POU. I was reflecting the smile of my good friend, Sol Bloom. I can not help smiling. After several trials Congress finally voted this barroom out of the Capitol. I think there were almost a dozen barrooms between the Peace Monument and Riggs Hotel, which stood on the site of Keith's Theater. Now, Mr. Speaker, in passing upon this question every man should take a nation-wide view. For one I say deliberately that in my judgment there is no comparison between conditions now and conditions as they were under the old liquor régime. [Applause.] And while I did not vote for the Volstead law, and while I did not vote to submit the eighteenth amendment to the people of the United States, under no circumstances would I vote for a modification of the Volstead law. [Applause.] We hear a great deal about the loose enforcement of the prohibition law. Because existing prohibition laws are not enforced as they should be we are told these laws must be modified or repealed. By the same process of reasoning the law against homicide should be modified or repealed, for homicide is more prevalent than ever before. By the process of reasoning the law against robbery should be modified or repealed, for robbery is far more prevalent than ever before. Mr. Speaker, I can not understand how gentlemen who are informed can seriously contend that drinking is more prevalent now than under the old system. Take this city, for instance. The man who says there is more drinking in Washington now than under the saloon system must be blind. Because the Nation is by far more prosperous than under the old system the voters of America will be slow to make any change, and, in my judgment, they will never consent to return to the old

system. [Applause.] The rank and file of the American people believe in temperance. They know as we all know that constant use of ardent spirits means drunkenness and ruin.

I do not believe I am a fanatic, Mr. Speaker, and I say, after much study of this question, the time has not come when existing laws should be tampered with. Gentlemen who are agitating this question for the purpose of changing the law are wasting their time. [Applause.]

Mr. BANKHEAD. Mr. Speaker, I shall only address the House for a moment. As stated by the chairman of the committee, this rule comes with the unanimous approval of the Committee on Rules, and upon a bill which was reported to us as having the unanimous approval of the Committee on Ways and Means, so that I anticipate there will be no real controversy over the provisions of this bill.

I want to state that while I am for the bill and for the rule, yet since I have found out that my friend from Illinois, Judge SABATH, and some of these other gentlemen here are also supporting it I am beginning to have a little doubt about the propriety of my position on that subject. [Laughter.]

I think, Mr. Speaker, we have in Congress, in both branches, as well as out of Congress, what might be called professional wets and professional dries, men who use that question somewhat in the nature of a vehicle to exploit their own political advantage. I say this without meaning to be offensive to anybody. I represent what might be called a conservative school of thought. I am of the "plain or garden" variety of prohibitionist. I voted for the eighteenth amendment. I voted for the Volstead law and for every other law that has been offered here since that time to support in its full integrity the letter and the spirit of the eighteenth amendment; and I venture the prediction, gentlemen, that, although we are having recently a good deal of agitation of this question, by hearings and by propaganda in the press, on both sides of it, it will be a long, long time in this country before there will be any substantial change or modification either in the spirit of the eighteenth amendment or the Volstead law, which carries it into operation.

I say that because I believe that in the long run, recognizing, as my friend from North Carolina, Judge POU, has suggested, the difficulties of absolute administration of the law in its full integrity in some of the sections of the country, I believe in the long run the sober-minded, the conservative, prudent people of this country, as registered at the polls, voicing their sentiments as to the gentlemen whom they will send here to represent them, they will still be of the abiding conviction and judgment that, taking it by and large, from the standpoint of economics and of morals and of every other phase of the matter that may be considered, on the whole national prohibition, as adequately enforced as may be under all the circumstances of opposition, is the best thing for all the people of America. [Applause.] And holding those views, Mr. Speaker, I am supporting this bill, because it promises a practical and effective administration of this bureau in the Treasury Department that will have charge of the question of enforcement.

Mr. O'CONNOR of New York. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. O'CONNOR of New York. The gentleman does not intend to convey the thought that this is either a dry or a wet bill, so called?

Mr. BANKHEAD. Oh, no. I said at the beginning that, because we seemed to have such unanimity of opinion from both these schools of thought, I am beginning to be rather curious as to what the character of this bill is, but, as a matter of fact, there is no controversy about what the bill means. It simply means the reorganization of the Treasury Department Bureau so that this question of enforcement and prohibition may be administered under separate bureaus.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. O'CONNOR of New York. Can the gentleman imagine how anybody can take the floor and advocate the bill and claim they are speaking in behalf of the dry cause?

Mr. BANKHEAD. I think so; yes. I think I am perfectly consistent when I say that the bill provides for the fixing in the Treasury Department, on a status of its own and on responsibilities of its own, this bureau, which shall be directly responsible for the enforcement of the prohibition law. Therefore as a "dry," I say it is consistent with my attitude on that question.

Mr. O'CONNOR of New York. My friend evidently has overlooked the fact that it also refers to the Customs Bureau, which refers to jewelry as well as beverages.

Mr. BANKHEAD. I was not discussing that question.

Mr. CRISP. Mr. Speaker, will the gentleman yield?

Mr. BANKHEAD. Yes.

Mr. CRISP. As an advocate of the bill and as a member of the Committee on Ways and Means that reported the bill favorably, I desire to say to my friend from New York that those who favor it believe it tends to a more efficient enforcement of the prohibition law. [Applause.] That is the object of the bill.

Mr. SABATH. That is the reason I am willing to support it, I will say to the gentleman.

Mr. CRISP. It seeks to establish in one bureau of the department the Prohibition Unit and the Customs Unit, which deals with the importation unlawfully of liquor, and the Coast Guard Unit, which protects the coast, and the whole object of it is to bring about a stricter enforcement of the prohibition law.

Mr. BANKHEAD. Mr. Speaker, I yield 3 minutes, the remainder of my 20 minutes, to the gentleman from New York [Mr. O'CONNOR].

The SPEAKER. The gentleman from New York is recognized for three minutes.

Mr. O'CONNOR of New York. Mr. Speaker, I did not intend to talk on this rule, but there always seems to be hanging over this House a phantom figure labeled "Prohibition." Why, if a man came in with a bill from the Claims Committee and his name was "Prohibition," certain people here would solely, on that account, rush to its support, while some other people might consider that they ought to vote against it.

It is a cowardly attitude to take on either side. As far as this bill is concerned I am willing to vote for or against it, irrespective of my stand on the question of prohibition; but I regret to say now that merely because of the fact that the Prohibition Unit is mentioned in this bill there are a number of men here approaching it as a prohibition measure—men elected to use their judgment and intelligence as Representatives of the American people. What is this thing, prohibition? What is this great bugaboo in this country that has put the fear of God into the hearts of so many men, otherwise strong and courageous?

I shall never hesitate to vote to stop the illegitimate and unlawful sale of liquor, but I say now that the coming in of this resolution under a special rule and the heat accompanying it, shows that you are dealing with a most extraordinary cause, a most unusual question. What other law is there that you put on the statute books, which requires you to come here every week with a new amendment to enforce it, with new and additional machinery to make it effective? Is not just that unusual situation proof that this thing prohibition stands by itself, that it is not like any other law? We hear talk ad nauseam about obeying all the laws and standing for the enforcement of all laws. What other law did we ever have to reinforce and restate? When you deal with this question, gentlemen, you deal with a law in a class by itself. You know it, and you must meet the situation. Try as you will, you can not turn this particular bill into a "wet" and "dry" question. Only cowardice will make you run to cover at the mere mention of the word prohibition. Let us represent our people without any fear of any "sword of Damocles." My idea of the most useless Representative is one who is elected solely because he is "dry" or solely because he is "wet." His election is an insult to our American institutions. There are so many other questions of such vast importance that concern our people.

Some one put in the report accompanying this bill that it is "advocated by the Anti-Saloon League." Imagine that bait! A snare to any cowardly "dry." Why, you all know this bill is advocated by everybody who believes in the reorganization of a department that is not functioning well. But there it is in the report—an attempt to turn this measure into a "dry" bill so that fear will again penetrate some men's hearts. Why, there are thousands of organizations backing this bill, but with this bugaboo hanging over nearly every measure presented here, any question touching prohibition remotely can be turned into an out-and-out prohibition question in this House. Gentlemen, if I come to the conclusion that that device was used to pass this bill or that it was born in the warped and un-American soul of the Anti-Saloon League I would be against it if I stood in a minority of 1—and that even though I started out for it.

The SPEAKER. The time of the gentleman from New York has expired.

Mr. SNELL. Mr. Speaker, this debate has taken a somewhat different angle than I expected it would take. This resolution was presented simply for the consideration of a bill which creates two bureaus that can more efficiently handle

the Government's business than is being done at the present time, and as far as I am concerned it is neither wet or dry. That is the reason I am for the resolution, and that was the only thing that was taken into consideration in reporting it out at this time. Mr. Speaker, I move the previous question.

The previous question was ordered.

The SPEAKER. The question is on agreeing to the resolution.

The resolution was agreed to.

Mr. HAWLEY. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10729) to create a bureau of customs and a bureau of prohibition in the Department of the Treasury.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 10729) to create a bureau of customs and a bureau of prohibition in the Department of the Treasury, with Mr. TINCER in the chair.

The Clerk read the title of the bill.

Mr. HAWLEY. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. The gentleman from Oregon asks unanimous consent that the first reading of the bill be dispensed with. Is there objection?

There was no objection.

Mr. HAWLEY. Mr. Chairman and gentlemen of the House, the purpose of this bill is to effect the reorganization of two divisions of the Government service that are now not functioning well. The bill was introduced after the Bureau of Efficiency had carefully examined into the existing conditions of both the Customs Service and the Prohibition Unit, and to some extent the Coast Guard Service. There is no intent to effect any reorganization of the Coast Guard Service, but there is a reorganization of the two other services.

The Customs Service and the Prohibition Unit have grown up largely by the method of accretion. The Customs Service has been in existence for more than 100 years, but has never been put upon a regularly organized basis. The Prohibition Unit is a development of recent growth and the difficulties in the situation are many. At present the enforcement of prohibition and the narcotic act is under the Commissioner of Internal Revenue. The Commissioner of Internal Revenue, with the collection of the income and excise taxes and the administration of the businesses connected therewith, is already overburdened to an extent that he has no time for the consideration of the matters arising out of these other affairs, and sought to be relieved of this responsibility. He has to sign every order to every agent and every commission. He has no time to investigate as to the necessities of the orders, their propriety, or the qualifications of the agents that are to be appointed. He very earnestly desires to be relieved of this responsibility, for which he has no time to qualify himself to his satisfaction. We propose, then, to adopt the suggestion of the Bureau of Efficiency and create a bureau of customs in place of a division of customs and to have a commissioner of customs in place of a chief of the division of customs. The organization will be much the same as it is now so far as the work in the bureau is concerned and very largely so far as the personnel is concerned. There will be a new officer called the commissioner of customs, who will have a salary of \$8,000. The additional cost provided by the bill will be confined to the Customs Service, and that will be about \$40,000.

In the Prohibition Unit we create a commissioner of prohibition, with the organization provided in section 2, paragraph (a), the character of the organization being the same in both bureaus.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. JOHNSON of Texas. I notice this language in the report:

No additional appropriation will be required to carry out the reorganization of the prohibition activities under the provisions of this bill.

That language, I judge, means that there will be no additional cost to the Government to maintain it after it is installed, as well as the installation of this new division.

Mr. HAWLEY. We were told by the officials of the Treasury Department that the only added cost in the bill will be that for the Customs Service, about \$40,000, and there will be no added cost for the Prohibition Bureau.

Mr. JOHNSON of Texas. I asked that question because frequently there is a criticism of all laws with reference to the enforcement of the eighteenth amendment on the ground that

they will cost a great deal of money, but this is one which does not cost anything.

Mr. HAWLEY. Not in this latter instance. The enforcement of the customs laws, so far as they relate to the importation of liquor or narcotics, and the work of the Prohibition Unit and the Coast Guard Service, so far as they have to deal with the matter of keeping out illicit liquors and narcotics from the shore side of the country, will be under the direction of an Assistant Secretary of the Treasury, at present General Andrews.

The commissioners will be under his direction and will function according to instructions issued by him. The bill makes the Secretary of the Treasury responsible for the carrying out of all the laws relating to the Customs Service and the Prohibition Service, but gives him authority to delegate these powers to the bureaus and the bureau chiefs named in the bill.

This, in general, is the groundwork of the bill. We do away by explicit language with the present Division of Customs and do away with all the officers in that division. We transfer the employees, the personnel, the books, and papers to the bureau of customs. We do the same thing so far as the Bureau of Prohibition is concerned by transferring out of the office of the Collector of Internal Revenue all the necessary books and papers that are concerned with the prohibition work.

The last provision which I think I need to comment upon is the fact we provide that all the field employees of the Bureau of Prohibition shall be under the civil service. All of the officers of the Bureau of Customs except the commissioner are under the civil service under existing law. All of the officers of the Bureau of Prohibition except the commissioner will be under the civil service under existing law. Only the field officers, therefore, were to be taken care of, and we provide in explicit language that they shall also be under the civil service law at the end of six months, giving the present employees time to qualify, if that is their desire.

Mr. THOMPSON. May I ask whether they have to qualify by an examination?

Mr. HAWLEY. In the regular way.

Mr. THOMPSON. They will not be covered in direct?

Mr. HAWLEY. They will have six months within which to prepare themselves and to qualify for appointment under the civil service law.

Mr. EDWARDS. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. EDWARDS. Does this bill provide for the transfer of somebody as the chief of this bureau or does it leave it open for appointment?

Mr. HAWLEY. The only person who will be appointed in either of the bureaus, the Bureau of Customs or the Bureau of Prohibition, is the commissioner. All the others will be under the civil service.

Mr. EDWARDS. The chief of this bureau will be under the civil service?

Mr. HAWLEY. No; the commissioner of customs and the commissioner of prohibition will be appointed, but all the others will be under the civil service.

Mr. HUDSPETH. Appointed by the Secretary of the Treasury?

Mr. HAWLEY. Yes; appointed by the Secretary of the Treasury.

Mr. BLACK of New York. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. BLACK of New York. Does the gentleman know whether there is any intention by this bill to reorganize General Andrews out of the prohibition service?

Mr. HAWLEY. I have never heard of any such suggestion. I think the gentleman meant to be facetious.

Mr. BLACK of New York. No; I did not mean that facetiously. If the gentleman has not heard about it, I have heard about it and read about it time and again and have heard that it was at the urgency of those who are supporting this bill.

Mr. HAWLEY. There was not anything of that in the hearings.

Mr. CRAMTON. I might suggest, if the gentleman will permit, that General Andrews drafted this bill. That is an answer to the gentleman's question.

Mr. THOMPSON. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. THOMPSON. I want to refer again to this civil-service question. Are these men in the field who are now in the service to have noncompetitive examinations?

Mr. HAWLEY. The field agents will have exactly the same kind of civil-service examination that everybody else has.

Mr. THOMPSON. I mean, will they be given the privilege of a noncompetitive examination or will everybody be brought into the service or does the gentleman know about that?

Mr. HAWLEY. That was not in the evidence.

Mr. LA GUARDIA. If the gentleman will permit, I have an amendment to cover that point.

Mr. THOMPSON. That is a good amendment.

Mr. BACHMANN. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. BACHMANN. We had a bill before the Civil Service Committee along this line, and that bill has passed the House. It put all the men under the civil service from the administrator down. What is the difference between this bill and the bill as originally passed by the House?

Mr. HAWLEY. The question was raised in the committee as to the propriety of including this part of the legislation in this bill. It was not known and could not be known in advance whether the Cramton bill would pass both Houses and become a law or not. So in order to be sure we put in this bill practically the same provision as the Cramton bill. They are not in conflict. If this bill passes, it will not be necessary to pass the Cramton bill; but if this bill should fail, then the Cramton bill, if it passes, would take care of the situation.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. JOHNSON of Texas. As I understand it, we have now in the Treasury Department a Commissioner of Internal Revenue?

Mr. HAWLEY. Yes.

Mr. JOHNSON of Texas. And this bill will create two new commissioners, a commissioner of prohibition and a commissioner of customs, and they will have the same authority with reference to matters under them as the Commissioner of Internal Revenue has with reference to matters in his division?

Mr. HAWLEY. Yes; they will be given charge of their separate bureaus under the direction of the Secretary of the Treasury.

I yield 10 minutes, Mr. Chairman, to the gentleman from New York [Mr. LA GUARDIA].

Mr. LA GUARDIA. Mr. Chairman, I desire to call the attention of the chairman of the committee to certain weaknesses in this bill. I want to touch first on the civil-service provision just referred to by the gentleman and to the amendment which was put into the civil service bill when it was before the House.

The House will remember that in 1924 in the President's message he recommended specifically that all field agents should be placed under civil service, referring to the Prohibition Unit. In the President's message of 1925, at this session of Congress, the President made the same recommendation, but modified it somewhat by saying that perhaps the field agents now in the service might be covered in.

I have an amendment that would prevent any of the existing force or those holding temporary appointments, under the bill now before us, from being covered in and requiring everyone to take a competitive examination, and I believe this amendment would carry out the intention of the House.

Now, gentlemen, I want to call the attention of the House to another very important matter. The bill provides a salary of \$8,000 for the commissioners. The Government is now paying a very good salary for prohibition administrators and deputy administrators, and I believe that the Government is entitled to all of the time and all of the services of these employees.

A few days ago the prohibition administrator of Pennsylvania stationed in the city of Pittsburgh, Mr. Baird, testified before the Senate committee that he was drawing a salary of \$12,000 from a railroad company in addition to his salary as prohibition administrator. I do not believe that it is necessary to argue that a prohibition administrator must be absolutely free from any connection with any transportation company. Our very enforcement law makes it a crime for any officer drawing a salary to draw any other salary from private sources as an official. How can the administrator of prohibition in Pennsylvania enforce the law if he is under a salary of a railroad company engaged in transportation? I want to read the provision of the law applying to officials receiving additional compensation from private sources. It is as follows:

That on and after July 1, 1919, no Government official or employee shall receive any salary in connection with his services as such an official or employee from any source other than the Government of the United States, except as may be contributed out of the treasury of any State, county, or municipality, and no person, association, or corporation shall make any contribution to, or in any way supplement the salary of, any Government official or employee for the services performed by him for the Government of the United States. Any person

violating the terms of this proviso shall be deemed guilty of a misdemeanor—

And so forth.

While there is doubt that the prohibition administrator in Pittsburgh has violated the spirit of this statute, I do not believe he has violated the statute sufficiently to bring him in under the penalty. That is why it is necessary to make the law more definite and more rigid. So the amendment I shall offer at the proper time provides that any prohibition administrator or deputy administrator employed in the Bureau of Prohibition shall give all their time exclusively to the United States Government and shall not engage in any other calling, occupation, or profession or trade and shall not receive a salary from any service other than the regular salary from the Government of the United States.

Now, gentlemen, I submit that is a reasonable, logical amendment to place on this bill in the face of what has happened in the city of Pittsburgh. The administrator testified that personally he saw nothing wrong in receiving a salary of \$12,000 from a railroad company. I want to know if the prohibition administrator in Pennsylvania had an agent at the freight stations of his railroad company and also the Pennsylvania Railroad to determine whether the railroads are violating the prohibition law. He must find himself in a very awkward and embarrassing position where he is receiving a salary from the railroad and as a prohibition administrator is receiving \$6,000 to enforce the law.

This is the time when you are reorganizing this service and when you are providing for a proper administration of the law, and now is the time to write into the law a provision of this kind so that any employee or administrator or executive officer can not receive any salary or allowance from any source other than that from the United States Government, especially when there are conflicting interests. Every railroad is naturally under the supervision of prohibition-enforcement officers as to the transportation of liquor.

I respectfully submit that every common carrier, every railroad should be under the inspection of the prohibition administrator, and no prohibition administrator can logically perform his duties if he is receiving a salary from a railroad company.

Now, I have another amendment, which I will not discuss at this time.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. LA GUARDIA. Yes.

Mr. JOHNSON of Texas. Did I understand that the prohibition administrator in Pennsylvania was on the pay roll of a railroad company?

Mr. LA GUARDIA. He so testified.

Mr. JOHNSON of Texas. In what capacity?

Mr. LA GUARDIA. I do not know; he said he visited the offices of the railroad company three or four times a day and that he worked for the Government 12 to 14 hours a day, and when he gets his rest or sleep I leave to you gentlemen to determine.

Mr. STALKER. Does the gentleman know that this man was drafted by the Prohibition Unit and that they asked the railroad company's permission?

Mr. LA GUARDIA. I never heard of anybody being drafted for a \$6,000 job. I am sure the gentleman will not defend a man receiving a salary from a railroad when he is prohibition administrator.

Mr. STALKER. They said they could not secure the man they needed at a salary of \$6,000.

Mr. LA GUARDIA. If they could not secure anyone who would enforce prohibition better than Mr. Baird is enforcing it in Pittsburgh, I think we are in a hopeless condition. Let me tell the gentleman that in the city of Pittsburgh at this moment there is a man running for public office who is under two indictments, and the prohibition director in Pittsburgh is not doing anything about it.

Mr. CRAMTON. If the gentleman will allow me, these trials are not before the director. Is it not possible that if the facts are as stated by the gentleman, there may be fault in some other official? The director does not try the cases, even if they are indicted.

Mr. LA GUARDIA. The gentleman is right; but they all work together just now in Pittsburgh. They are all in the same boat. But, gentlemen, do not let us get into arguments on prohibition. Let us stand by the bill before us, which provides for a prohibition unit in the Treasury Department, for the purpose of increasing the efficiency of that unit. My amendment will go a long way toward putting an end to a very bad condition that exists to-day. It is proper to consider whether or not we want men in this service who have no other ties or obligations, who can give their whole time exclusively to the duties of this office and not receive big

salaries from other sources and naturally be under obligation to look after the interests of the sources from which they are paid.

Mr. GARNER of Texas. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma [Mr. HASTINGS].

Mr. HASTINGS. Mr. Chairman and gentlemen of the House, I want to occupy your time for a few minutes in connection with this bill. It is appropriate that I follow the gentleman from New York [Mr. LA GUARDIA], because I wish to particularly address my remarks to the question of the civil service, to which he made reference. It is unnecessary for me to say on the floor of the House that I have always favored prohibition. I voted for the eighteenth amendment. I voted for all legislation that had for its purpose the vitalization of that law. I voted for prohibition down in my own home State. I was reared in the eastern portion of Oklahoma in what was formerly the Indian Territory, and we have always had prohibition there. I voted for all other laws that extended prohibition to the District of Columbia and elsewhere where any opportunity was afforded.

It is not my purpose to further discuss that feature in the limited time I have at my disposal, but I want to discuss this so-called civil service provision which is inserted in section 5 of this bill. I say to my friends on the Republican side of the House that it is my honest, sincere judgment that there has never been a time in the last 25 years in this country when the merit system has been at a lower ebb than it is to-day. I have secured a copy of the two platforms of 1924, and I shall insert as a part of my remarks certain portions of them.

The Republican platform states:

The improvement in the enforcement of the merit system, both by legislative enactment and Executive action since March 4, 1921, has been marked and effective. By Executive order the appointment of presidential postmasters has been placed on the merit basis similar to that applying to the classified service. We favor the classification of postmasters in first, second, and third class post offices and the placing of the prohibition enforcement field force within the classified civil service, without necessarily incorporating all the present personnel.

The Democratic platform of 1924 contains the following:

We denounce the action of the Republican administration in its violation of the principles of civil service by its partisan removals and manipulation of the eligible lists in the Post Office Department and other governmental departments; by its packing the Civil Service Commission so that that commission became the servile instrument of the administration in its wish to deny to the ex-service men their preferential rights under the law, and the evasion of the requirements of the law with reference to appointments in the departments.

We pledge the Democratic Party faithfully to comply with the spirit as well as the regulations of civil service; to extend its provisions to internal-revenue officers and to other employees of the Government not in executive positions; and to secure to ex-service men preference in such appointments.

A few weeks ago we listened to an extended speech by the gentleman from Texas [Mr. WURZBACH], in which he brought the attention of the House and the country to a most deplorable condition which exists in the State of Texas. The gentleman from Mississippi [Mr. WILSON] in another speech corroborated everything that was said by the gentleman from Texas. Can an administration that will listen to a speech like that of Mr. WURZBACH and not have it investigated and not reply to it lay any claims to being in favor of the civil service? Is anybody on the floor of the House to-day deceived into a belief that if this bill is passed the merit system will actually prevail in the enforcement of the prohibitory law? Let me say to you, gentlemen, that I was amazed after the speech of the gentleman from Texas to read in the press the reputed correspondence between the majority leader and the chairman of the congressional committee, with the national committeeman of Texas, and the State chairman of the Republic Party of Texas, in which a suggestion was made that the matter be left to the Republican National Committee to decide which was in error. Of course, I expected the majority leader [Mr. TILSON] to take the lead in introducing a resolution condemning such action. This was a violation of law. It was not merely the violation of party politics. It is a question in which the whole country is interested. I expected to see the majority leader of the House rise to the occasion and introduce a resolution and demand a searching investigation of the alleged violations of the law going on in Texas, instead of the suggestion of a partisan investigation being made by the National Republican Committee. We should have a real, sincere investigation made by a committee appointed by this House to see whether or not the civil service law has been violated. It should be respected and enforced or repealed. I challenge

any man on either side of this aisle to assert that for the past two years the civil service law has been respected in the second congressional district in Oklahoma. I do not speak with knowledge with reference to other districts. Now, let us talk about the Post Office Department for a minute. There has not been a single Democrat appointed as a fourth-class postmaster in the second congressional district in Oklahoma in two years. The law is not respected, but evaded.

Mr. HAWLEY. Mr. Chairman, I regret to call the attention of the gentleman to the fact that the rule provides that the debate on this bill must be confined to the bill.

Mr. HASTINGS. That is exactly what I am doing, Mr. Chairman. I am commenting on the civil-service section in this bill and telling about how it is being violated. I am bringing to the attention of the House the fact that I think it is absolutely useless to have this section inserted in the bill, because I think it means nothing, and I am giving the reasons why I think it is meaningless.

The CHAIRMAN. The gentleman will proceed in order.

Mr. HASTINGS. Take the rural carriers in the second congressional district in Oklahoma. They are supposed to be under the civil service.

The CHAIRMAN. The Chair will sustain the point of order as to rural carriers in the second congressional district of Oklahoma.

Mr. HASTINGS. Mr. Chairman, I do not wonder that the chairman and those on the Republican side of the House do not want to hear this question debated.

The CHAIRMAN. The gentleman is out of order. The gentleman will suspend. The gentleman must confine his remarks to the bill. The gentleman will proceed in order.

Mr. HASTINGS. I shall discuss this provision of the bill.

Mr. CONNALLY of Texas. Mr. Chairman, a point of order.

The CHAIRMAN. The gentleman will state it.

Mr. CONNALLY of Texas. Does the Chairman hold that in arguing as to whether or not it is a good thing to adopt civil service in prohibition enforcement it is not in order to argue as to how that same doctrine is applied and enforced in other matters?

The CHAIRMAN. The Chair sustains the point of order made by the gentleman from Oregon.

Mr. CONNALLY of Texas. Without any reason whatever?

The CHAIRMAN. No; the Chair sustains it because it is right to sustain it. The gentleman from Oklahoma will proceed in order.

Mr. HASTINGS. Mr. Chairman, I shall proceed as nearly as I can in order and further discuss this section of this bill. I further assert that I know that its administration and enforcement will simply be a farce and will be as meaningless as far as prohibition is concerned as it is and it has been in the other branches of this Government.

The people of the country are entitled to the most efficient service. They believe that a public office is a public trust. They do not believe in the creation of offices to be used as patronage and for the exchange of delegates to party conventions. The people do not favor the retention of a single surplus public officer, and they believe that only those should be retained who are absolutely necessary to administer public affairs.

Many of the good people of the North and East are deceived by the platform expressions of the Republican Party with reference to the civil service. Those who are in closer touch appreciate how insincere the declarations are. The platform plank refers to the improvement in the enforcement of the merit system. If any citizen is deceived into the belief that there is any pretense to the enforcement of the merit system, he should find an opportunity to read the speech of Congressman WURZBACH, a Republican of Texas, in the House of Representatives on March 3, 1926. It is the most scathing arraignment that has been placed in the Record in years. It was a carefully prepared speech and went into great detail. It describes the vicious political system in vogue in the South and frankly and boldly charged violations of the civil service law by the post office authorities; that patronage was exchanged for delegates to Republican conventions and that officeholders were assessed and that large sums were collected from prospective appointees. He asserts that it has become a national scandal. He charged that the national committeemen handle one end of the convention delegate system and usually the Postmaster General handles the other end.

He further states:

It is a spoils system pure and simple, without one redeeming quality. The ordinary spoilsman buys influence with his own money. Under the system I am attacking influence is bought with public office.

He boldly states that the Postmaster General entered into what is in effect a conspiracy to remove the post office in his home town to an inconvenient location through the influence of the State chairman.

He said:

The power and influence of these patronage politicians in Washington is simply amazing and almost incredible. This is true especially with regard to the Postmaster General and his first assistant.

The speech goes into great detail and shows an utter disregard for the civil service in the State of Texas.

Congressman WILSON of Mississippi, on March 22, 1926, commenting on the speech of Congressman WURZBACH, stated—

and yet in my State of Mississippi for months some of the most reputable citizens of that great Commonwealth have charged, without fear of successful contradiction, that post offices in the State were sold in the open market, and that the buying and selling of Federal offices in Mississippi is a common practice.

Again, in the same speech, he said:

And in my State to-day there exists a condition which has no parallel in the history of my Southland since the dark days that followed the Civil War. Not only are Federal positions sold in the open market to the highest bidders, but the control of Federal patronage is almost entirely in the hands of the negroes. God save my country from the sad day when negroes are placed in the seats of the mighty and political control passes into their black hands. [Applause.]

He stated he had introduced a resolution calling for a congressional investigation, but no action could be secured upon it.

A few days after the disclosures of the gentleman from Texas [Mr. WURZBACH] the press contained extended notices of the correspondence carried on between the Republican congressional chairman [Mr. Wood] and the majority leader [Mr. TILSON] and the national committeeman from Texas, Mr. R. B. Creager, not criticizing the violations of the civil service laws, but urging that the National Republican Committee should support Republican nominees for office in Texas. It was finally suggested that the matter of loyalty of the Republican national committeeman and the State chairman to Republican nominees be submitted to the Republican National Committee for investigation.

It is recognized by every thoughtful person that a far deeper question is involved. Even the gentleman from Texas recognized this when in his speech he said:

It has passed beyond that stage, however, and has grown into a national scandal.

It has been a great disappointment that the majority leader [Mr. TILSON] should content himself by suggesting that the matter be investigated by the National Republican Committee. I think I express the almost unanimous opinion of the House when I say that it was expected that upon the disclosures hereinabove referred to being made that the majority leader would demand a rigid, thorough, and searching investigation by a congressional committee with power to swear witnesses and report to the Congress whether or not the criminal and civil service laws have been violated not only in the States of Texas and Mississippi but throughout the country generally. No wonder that interruptions were interposed, and points of order were made against the discussion of this question. It reaches a tender spot. Everyone knows that the present administration has no regard whatever for the civil service laws. Immediately after the disclosures by the gentleman from Texas [Mr. WURZBACH] the press reported that the Republican national committeeman from Texas, Mr. Creager, was an honored and invited guest at the White House, which showed the sympathy of the President, but this list did not contain the name of the gentleman from Texas [Mr. WURZBACH]. I again assert that the civil service law is not enforced in Oklahoma. Ex-service men are not given the preference in making appointments. When an eligible list is certified for the appointment of postmasters or rural-route carriers and it contains the name of no partisan an excuse is made to hold another examination, and this is continued until the name of some acceptable partisan appears upon the list, and he is appointed. I fear that this will be the way that this section of this bill will be administered.

I close, as I started, with the statement that in my judgment there has been no more partisan administration, nor one that has had less regard for the civil service law, than the present one.

Mr. HAWLEY. Is the gentleman from Texas ready to yield time?

Mr. CRISP. Mr. Chairman, the gentleman from Texas is out, and he asked me to look after the yielding of time in his

absence. I do not know but one gentleman on this side—I yield five minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, in my judgment this proposed "shifting around" is merely creating and enlarging bureaus of the Government and expenses without bringing any promised reform or enforcement. If you were taking away from the Secretary of the Treasury the enforcement of prohibition you would be accomplishing something. We have had the enforcement of prohibition in the hands of Mr. Secretary Mellon ever since the present administration started, and it has never been enforced, and yet in the hope of getting some enforcement my friend from Michigan [Mr. CRAMTON], and probably our good friend Wayne B. Wheeler, is hoping against hope and enlarging Government bureaus without any promise of anything.

Why are you putting the appointment of the Commissioner of Prohibition in the hands of the Secretary of the Treasury by this bill? Do not you know you are not going to get anywhere by it? Is there a man here who foolishly believes that Mr. Secretary Mellon is going to enforce prohibition any stronger with the man he appoints as Commissioner of Prohibition than he is at the present time with General Andrews, whom he appointed? Why do you not put this appointment in the hands of the Chief Executive, upon whose shoulders rests the responsibility of enforcing all the laws of this Nation? Is not the office big enough for the President to appoint? It is one of the most important in the Nation. Why do you not put the real responsibility on the President of the United States?

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. BLANTON. I yield. I see New York is here in full force to-day, but I yield.

Mr. O'CONNOR of New York. Maybe the President does not want it.

Mr. BLANTON. I do not think he does. This bill is shifting great responsibility to an underling, when it is a matter for the President. Ah, the time is coming in this Nation when the American people are going to say to our President that we look to him to enforce the law.

Mr. JOHNSON of Texas. Will the gentleman yield?

Mr. BLANTON. I will.

Mr. JOHNSON of Texas. When the gentleman from Oregon was speaking in answer to a question of my colleague from Texas [Mr. HUDSPETH] I understood him to say that the commissioner of customs and commissioner of prohibition were to be appointed by the Secretary of the Treasury with the approval of the Senate. I do not find—

Mr. BLANTON. That is not in the bill. The Senate will have nothing to do with it. Mr. Secretary Mellon will do the appointing and he is a man more interested in the liquor business than any other one man in the United States. Deny that if you will. I pause for the denial; and there is none. He is to appoint the enforcer of prohibition. Ah, it is a farce, and the gentleman from Michigan can squirm as much as he wants to, but he knows I am telling the truth. And the gentleman from Maine knows it. He is for enforcement. There is no more stalwart citizen in the United States back of prohibition and its enforcement than the distinguished gentleman from Maine, and yet he knows we are now indulging in a farce.

Mr. HERSEY. Will the gentleman yield?

Mr. BLANTON. I did not say which gentleman from Maine. [Laughter and applause.] It was not necessary. But the gentleman from Maine is a stalwart prohibitionist and I take off my hat to him, he has done splendid work for prohibition.

Mr. HERSEY. I thank the gentleman for his doubtful compliment, but I wish to assure the gentleman from Texas that the gentleman from Maine has the utmost confidence in the honesty and sincerity of Andrew Mellon. [Applause.]

Mr. BLANTON. I have absolute confidence in his honesty, and business honesty, but—

The CHAIRMAN. The time of the gentleman has expired.

Mr. BLANTON. Let me have two minutes additional.

Mr. CRISP. I yield two minutes to the gentleman.

Mr. BLANTON. The gentleman is hard up to get gentlemen to take time anyhow. [Laughter.] I have confidence in his honesty. I have confidence in his integrity, but I have no confidence whatever in his leaning toward the liquor traffic. And I have no confidence in his intention to enforce prohibition. Why I have confidence in all of these wet New Yorkers here in their honesty and integrity, and yet they have all come down here now to get something for the "wet cause," if they can, out of this legislation. Just exactly like Mr. Mellon is going to do, get all he can for the "wet cause" out of every piece of legislation that is handed to him, because he is a wet. He is the king of wets in the United States.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. BLANTON. Yes; because the gentleman is running with Mr. Mellon in the wet cause.

Mr. O'CONNOR of New York. Will the gentleman tell the New Yorkers just what we should do on this bill?

Mr. BLANTON. I know that most of you will vote just contrary to the way I do on prohibition.

Mr. O'CONNOR of New York. We will take the gentleman's advice sometimes.

Mr. BLANTON. I am one who is going to vote for the bill just because CRAMTON says so. I know it will not do any good, but if I vote against it I would be lined up with the "wet" leadership from New York and with JOHN PHILIP HILL, of Baltimore, and with LaGUARDIA and with other distinguished "wets" in this House, and I do not want to be in their company on a prohibition issue. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. HAWLEY. Mr. Chairman, I yield 10 minutes to the gentleman from Michigan [Mr. CRAMTON].

The CHAIRMAN. The gentleman from Michigan is recognized for 10 minutes.

Mr. CRAMTON. Mr. Chairman and gentlemen of the committee, this legislation grows out of the necessity, which has impressed many, for the reorganization of the machinery, first, for the enforcement of prohibition, and next, as suggested by others, for the administration of the customs laws. I will confine my remarks to a discussion of the reorganization of the Prohibition Unit.

Ever since the passage of the Volstead Act there has been a controversy, a difference of opinion, as to the proper place in which to lodge the authority for enforcement. It was two or three years ago that the suggestion was made by me, and embodied in a bill which I introduced, and which became widely known, that the Prohibition Unit be taken out from under the Bureau of Internal Revenue and a new bureau of prohibition created. As the law stands, the enforcement of prohibition as a Federal proposition is in the Bureau of Internal Revenue. As has been said here, the Commissioner of Internal Revenue has a task as great as that of any bureau in the Government, with prohibition omitted; the task of collecting our Federal income tax and Federal revenues.

The first thing, then, to be desired was to get better administration of the tax laws by relieving the Bureau of Internal Revenue of the task of enforcing prohibition. Furthermore, as the situation was two or three years ago, when this proposal was first made, the task of enforcement, so far as the mind of the country was concerned, was in the Commissioner of Prohibition. But that official was not known in the law, and that official had no authority conferred upon him directly by the law. He was an assistant to the Commissioner of Internal Revenue, unnamed in the law. He had no authority except such as was granted to him by the Commissioner of Internal Revenue. He could make no regulation. He could not appoint the men he wanted; men were discharged whom he wanted retained. To go from the Commissioner of Prohibition, where the public placed the responsibility, to the Secretary of the Treasury, where the fullest authority really was, there were four steps, and often they were not completed. The journey was often not completed from the Commissioner of Prohibition to the Commissioner of Internal Revenue, to the Assistant Secretary of the Treasury, to the Secretary of the Treasury. So Commissioner Haynes did not always succeed in getting his desire, his program, through to the Secretary of the Treasury. If so, it was only with a great deal of delay.

So a second idea was to center in one bureau the authority with reference to prohibition as a Federal proposition; to give that the dignity and importance of a bureau, and clothe it in the law with authority. In connection with that was a third important feature to be secured to secure prompt administration.

Mr. JOHNSON of Texas rose.

Mr. CRAMTON. I will be very glad to proceed for a little time, if I may, without interruption. Then later I shall be glad to yield.

The third proposition was, in order to secure prompt administration of the law and effective enforcement, to center in that new bureau all of the authority of the Federal Government with reference to these liquors. Whether for permitted or prohibited uses, it is the same liquor. There are certain permitted uses and certain prohibited uses. Sixty million gallons out under permit, of which over 10 per cent was being diverted to unlawful uses. But those permits were issued over here in the office of the Commissioner of Internal Revenue, while over yonder, in the Bureau of Prohibition, there was the responsibility of checking up on them, and you could not expect sys-

tematic enforcement. So under the proposed measure this administration of both permitted and prohibited liquors and enforcement, in order to see that they were not abused, was centered in one bureau.

Now, that bill was introduced—H. R. 6645—and had long consideration by the Committee on the Judiciary of the House and was favorably reported and passed this House by an overwhelming vote. At that time the only opposition to it that was apparent was from the users of industrial alcohol, who were fearful of the effect if the administration of permits came into the bureau, as proposed. The bill went to the Senate, and there failed at the closing hours of the session by reason of some very active opposition. It was after favorable report of the bill in the Senate that the association opposed to the prohibition amendment first showed its hand, first uncovered its opposition to the bill. In *The Minute Man*, published by the New Jersey division of that association, it was declared in the issue for December 22, 1924:

An effort to defeat the so-called Cramton bill in the Senate of the United States will be made by the Association Against the Prohibition Amendment. . . . The association strongly urges its members to write to their Senators demanding their opposition to the Cramton bill.

Whatever effect such protests had, threatened filibuster defeated that bill in the closing hours of the last Congress.

In this Congress the same bill, with very trifling amendments, was introduced by me at the request of General Andrews, and it went to the Committee on the Judiciary. I think the letter of indorsement of that by General Andrews, under date of February 12, in brief form gives as concisely as you will find anywhere the attitude of the Department toward this reorganization proposition. I read his letter:

TREASURY DEPARTMENT,
Washington, February 12, 1926.

Hon. GEORGE S. GRAHAM,

*Chairman Committee on the Judiciary,
House of Representatives.*

MY DEAR MR. GRAHAM: Replying to your favor of January 16, 1926, as to the attitude of the department in the matter of the Cramton bill, H. R. 394, Mr. CRAMTON submitted this bill at our request, and the department favors its enactment into law. It is considered quite essential to efficiency that the work of the Prohibition Unit be separated from the Bureau of Internal Revenue and placed under the Secretary in an independent bureau organized under a Commissioner of Prohibition, very much as is the Bureau of Internal Revenue under its commissioner.

To the suggestion that this work ought to be in the Treasury Department keep in mind the fact that nowhere else can you secure that close cooperation that is vital between this work and the work of the Customs Service. I read further:

This facilitates the present Treasury Department organization by which the activities of the Prohibition Unit, Customs, and the Coast Guard are placed under the supervision of one Assistant Secretary, who may thus coordinate their work so far as it concerns the enforcement of the prohibition laws.

In the meantime the department, wishing to organize a separate bureau for customs as well as a separate bureau for prohibition, has had prepared a bill for this purpose which will be sent to Congress as a department measure and which if enacted into law will serve the same purpose for prohibition but will at the same time have accomplished the much-desired reorganization of customs as well.

Sincerely yours,

L. C. ANDREWS, Assistant Secretary.

So you have before you the department measure, therein referred to by General Andrews, covering both of those services, introduced by the gentleman from Iowa [Mr. GREEN], chairman of the Committee on Ways and Means. I have the pleasure here to-day of supporting the bill now before us, under the leadership of the gentleman from Iowa [Mr. GREEN] and indorsed by the unanimous report of the Committee on Ways and Means and apparently having the unanimous support of this House, and which fully carries out the purposes sought by me in H. R. 6645 in the last Congress and H. R. 394 in this Congress. It is highly gratifying to anyone to see an idea work out into that indorsement. This proposal has throughout had the cordial support of all the dry organizations.

Mr. JOHNSON of Texas. Has the gentleman reached the point where he desires to yield for a question?

Mr. CRAMTON. I will yield to the gentleman.

Mr. JOHNSON of Texas. I realize that the gentleman is very loyal in supporting all legislation having for its purpose the enforcement of the prohibition law, and I am in sympathy with such a motive. What I want to inquire about is this: Why is it that the Department of the Treasury rather

than the Department of Justice should have jurisdiction over the enforcement of the national prohibition law? That is what I would like to know.

Mr. CRAMTON. The Department of Justice does not enforce, as an administrative proposition, the laws of the country—the pure food act and other laws.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HAWLEY. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. CRAMTON. And the reason I have already given, I think, is sufficient for retaining the administration of the law in the Treasury Department—that it is imperative to have this close cooperation between the Coast Guard, the Customs Bureau, and the Prohibition Unit.

Mr. EDWARDS. Will the gentleman yield to me for a question?

Mr. CRAMTON. Yes.

Mr. EDWARDS. I want to ask the gentleman this question: Does not the gentleman think it would make for efficiency and add strength to the proposition if the commissioner were named by the President rather than by the Secretary of the Treasury?

Mr. CRAMTON. No; I do not; and I will now cover that point. The commissioner should certainly not be confirmed by the Senate. It is a Treasury Department matter, and under the present organization, since we passed the bill in the last Congress, the Treasury Department under Secretary Mellon has gone just as far as it can go without legislation to bring about what Congress was trying to do in H. R. 6645. Instead of having the responsible head, the one the country looks to as responsible, the fourth tail of a row of dominoes, we have General Andrews, an Assistant Secretary of the Treasury, next to the door of the Secretary of the Treasury, and selected by Secretary Mellon on the basis of efficiency. He has made a good record, and I think I have studied it as closely as most anyone, and I say without any fear of contradiction that he has, in his administration of the office, demonstrated his zeal and his capacity and he has been successful. [Applause.] In good faith and zealously he feels his way, and his past record is marked by accomplishments that augur well for his future performance.

I want to remind you that as a result of that reorganization and placing General Andrews in active charge of enforcement and with practically a free hand, treaties were negotiated with Mexico covering smuggling and extradition; the Prohibition Unit has been reorganized; negotiations have proceeded successfully with Canada; the transfer of alcohol control from the Internal Revenue Bureau to the Prohibition Unit has been made effective and has been very salutary in effect. The instructions issued covering the cooperation of the Coast Guard, the collectors of customs, and the Prohibition Unit have aided in stopping smuggling; Coast Guard activities have been highly developed, greatly reducing smuggling and practically eliminating rum row; there has been a Treasury decision eliminating household wine declarations; there has been a Treasury decision arranging for the annual review of all permits; there has been a Treasury decision limiting the use of whisky for the manufacture of patent medicines, and so forth; also the withdrawal of Jamaica ginger and "body-rub" formulas, which was being diverted to beverage purposes; there has been a Treasury decision setting up a new control over sacramental wine; there has been an elimination of formula No. 6 for completely denatured alcohol, some having diverted this for the manufacture of beverages; there have been new permit forms in order to make favorable court action surer; the allowances of medicinal whisky, and so forth, to druggists have been put on a more satisfactory basis; there has been the organization of special alcohol and of special brewery squads for controlling these activities; under the leadership of the State Department treaties for smuggling and extradition control have been negotiated with Cuba and should soon be in effect, and the policy of the development of large conspiracy cases has borne quite sensational results.

Mr. KINDRED. Will the gentleman yield?

Mr. CRAMTON. I can not yield now. I want to be courteous, but I want to complete this thought. They have gone as far as they can under the law, but to-day under the law the Commissioner of Internal Revenue must attach his signature to every regulation that is issued. Now, it is not fair to the Commissioner of Internal Revenue to ask him to take that responsibility without an opportunity for examination, and any time he takes to make an examination is time that slows up effective enforcement. This bill, if you pass it, puts an end to that anomalous situation. It takes it out of the hands of the Commissioner of Internal Revenue and puts

it in the hands of the Commissioner of Prohibition, and that commissioner, in the administration of the law in the department, will be associated with two other bureau chiefs, the head of the Coast Guard and the head of the Customs Service, all three of them under one Assistant Secretary of the Treasury, while the Commissioner of Internal Revenue is under another Assistant Secretary. These three bureaus, closely related, are under one Assistant Secretary, who has practically the whole authority of the Secretary delegated to him. In this direction lies efficient cooperation and successful administration.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. HAWLEY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. CRAMTON. Now, let us be perfectly fair about this thing and not give a man the hardest job in the United States and too hastily criticize him for any mistakes he may make. I say that any man has the right to make a mistake occasionally. We ought to give General Andrews the fullest opportunity to have an efficient organization. Why should not this bureau chief be appointed by the head of the department who has to take the responsibility when he is in actual operation immediately under an Assistant Secretary of the Treasury who is the right hand of the Secretary?

Mr. KINDRED. Will the gentleman yield for just one question?

Mr. CRAMTON. Yes.

Mr. KINDRED. Will the gentleman inform us whether the order issued by General Andrews permitting the sale of 3.75 per cent beer for medicinal purposes is in operation?

Mr. CRAMTON. I can not say, although I think practically so, and I think two permits have been approved. However, I do not want to take the time to discuss those details. I am simply going to appeal to the House to support this legislation, which those who are responsible for enforcement say they need.

After adjournment of Congress last March Secretary Mellon effected the reorganization I have referred to, doing the things we had sought in H. R. 6645, as far as the statutes permitted. Among other things, that reorganization concentrated control over liquors, permitted and prohibited, in the Prohibition Unit, transferring industrial alcohol control from Internal Revenue to the Prohibition Unit. The dangers feared a year ago and two years ago by industries legitimately using industrial alcohol—and those industries are of great importance—have not come to pass, and that seems to be the reason for our harmonious situation here to-day. I have always believed, and now believe, the legitimate use of alcohol will find better service and more consideration under the improved administration we hope for from this bill.

I hope the House, before it adjourns, will find a way to consider other legislation that is demanded by General Andrews and by Secretary Mellon.

General Andrews is asking Congress for this program of legislation—

(1) In addition to bills covering appropriations for the Prohibition Unit, Customs Service, and Coast Guard, including an important personnel bill for the Coast Guard, we have prepared and submitted to Congress proposed legislation as follows for the reorganization of the Prohibition Unit and of the Customs Service, making effective the coordination of customs, Coast Guard, and prohibition for law enforcement under one assistant secretary.

(2) There are seven changes in and additions to the Volstead Act, making its enforcement more efficient.

(3) There are six changes in the narcotic act for the same purpose.

(4) There is a bill containing six new statutes, particularly designed to aid in stopping smuggling.

(5) A supplemental appropriation bill providing for the organization of three new activities, and the development into greater efficiency of three others, thus setting up a machinery which experience has shown will be effective in breaking up the liquor traffic.

(6) There is a bill for the organization of a United States border patrol, prepared in collaboration with the chief coordinator and the Department of Labor.

(7) There is a civil service bill, introduced by Congressman Cramton. This has passed the House, and in the Senate hearings held by the Civil Service Committee and reported favorably before the Senate.

(8) There is a bill for increased penalties introduced in the House by Congressman Stalker. This is still in the Judiciary Committee. No hearings. This bill is particularly important to law enforcement through the increased penalty for "transportation."

(9) I also consider the creation of a considerable group of mobile Federal judges essential to law enforcement, and I also consider essential a law providing for extradition in Federal cases.

We can not and should not criticize Mellon and Andrews if we fail to give them the tools they ask for and which we know they ought to have.

Mr. GARRETT of Texas. Will the gentleman yield for a question?

Mr. CRAMTON. Yes.

Mr. GARRETT of Texas. On the question of the examination under the civil service of these agents who are going to enforce this law, suppose those who take the civil-service examination and pass the examination in every respect are not at all in sympathy with the law, what are you going to do about appointing that kind of personnel?

Mr. CRAMTON. In my judgment, that is one reason we are trying to get away from political appointments that in so large a degree prevailed in the past. We want to secure the appointment of men who are in sympathy with the law.

Mr. GARRETT of Texas. How are you going to find that out? Are you going to ask in your questionnaire so that the applicant must say, "I am for the eighteenth amendment and I am for the Volstead Act and its full enforcement," or are you going to leave that open?

Mr. CRAMTON. The bill that has passed, and this one as well, would place the responsibility for examination on the Civil Service Commission, under such regulations as they would adopt under the civil service law, and the investigation which they would make, I trust, would disclose the fact of whether the man seeking the job is in sympathy with enforcement of the law or not.

The CHAIRMAN. The time of the gentleman from Michigan has expired.

Mr. HUDSPETH. Will the gentleman from Mississippi yield to me a moment so that I may ask the gentleman from Michigan a question?

Mr. COLLIER. I yield one minute to the gentleman from Texas.

Mr. HUDSPETH. I want to ask the gentleman a question, and I know he is competent to answer it. Under the selection of men to enforce this law by General Andrews, my observation is he has made the appointments without reference to political preferment or recommendation—does this bill take that out of his hands?

Mr. CRAMTON. General Andrews, so far as he could, has made quite a step considering merit rather than politics in the appointments I know of.

Mr. HUDSPETH. I agree with the gentleman.

Mr. CRAMTON. But General Andrews's own statement is, with reference to the civil service bill, that the enactment of a civil service law is very necessary for the good of the service.

Mr. HUDSPETH. He recommends this, then?

Mr. CRAMTON. He recommends the civil-service feature of it very strongly. He wrote me a few weeks ago:

TREASURY DEPARTMENT,
Washington, D. C., February 1, 1926.

HON. LOUIS C. CRAMTON,

House of Representatives.

MY DEAR MR. CRAMTON: Because of an engagement in New York to-morrow which I can not break, I am unable to accept your invitation to appear before the congressional committee to-morrow in its hearing on the bill to put the Prohibition Unit under civil service. I therefore am writing you my views which you may transmit to the committee if you so desire, informing them also, if you please, that I will be glad to appear before them at a later date if they wish to have me do so.

The longer my experience with this work the more I am convinced that for the long future a civil-service status for the field forces, as well as the clerical forces, would be advantageous for law enforcement. This presupposes that great care will be exercised in selecting men peculiarly qualified for the various kinds of work which have to be done. Its advantages would lie not only in freeing men from any possible obligations to others for their appointment but particularly in putting them into a status where they could be moved from one post of duty to another without argument on account of local affiliation, etc. As our activities for law enforcement develop along lines already inaugurated, I foresee that the field forces will become more and more a concrete Federal force, free from local ties and available to be used at will wherever needed. The Federal force will thus become a clean-cut business organization, actuated by one sole consideration—law enforcement. That this may be brought about, I believe the civil-service status quite essential.

Very truly yours,

L. C. ANDREWS, Assistant Secretary.

The CHAIRMAN. The time of the gentleman from Michigan has again expired.

Mr. COLLIER. Mr. Chairman, I yield five minutes to the gentleman from New York [Mr. OLIVER]. [Applause.]

Mr. OLIVER of New York. Mr. Chairman, I am sorry the committee is not considering a bill to make the Prohibition Commissioner a Cabinet officer, a Cabinet officer who is superior to the Army and the Navy of the country, for after all the prohibition issue seems to be superior to all of the other issues of the country—peace or war, domestic or international. Still we make this commissioner merely a subordinate of the Secretary of the Treasury. If you gentlemen are logical you will make the Prohibition Commissioner President of the United States.

It is the most important law in America to-day, according to you, and yet you smother this man under a Secretary of the Treasury, that you yourselves say is one of the greatest liquor men in the Nation. But I want to tell you this: Put it under your Treasury Department and you still have it under your Anti-Saloon League. It is not under the Secretary of the Treasury at all, and it never was. It was always under the control of Wayne B. Wheeler. Why do you not amend your bill and put this commissioner under the Anti-Saloon League or incorporate the Anti-Saloon League into a department of the Government? [Applause.] You are merely moving the department one flight up.

The whole trouble with your proposition here is, though you may have some kind of thought that this bill will bring a successful administration—

Mr. SUMMERS of Washington. Will the gentleman yield?

Mr. OLIVER of New York. Your law is based on tyranny and even a fine man like General Andrews can not succeed.

Certainly I yield to the gentleman.

Mr. SUMMERS of Washington. Would the gentleman suggest that he be appointed by the Governor of New York?

Mr. OLIVER of New York. Yes; I would think the Governor of New York could appoint a very fine temperance commissioner, because New York will never stand for the kind of prohibition that you have. We want a prohibition that does not padlock the liberty of a citizen to the last degree. We want prohibition that is fair and square and considerate of all the local communities, and not a prohibition of one-half per cent, which is not fair.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. OLIVER of New York. Yes.

Mr. O'CONNOR of New York. Is it not a fact the Governor of New York before the repeal of the Mullan-Gage law threatened to remove any district attorney or sheriff who did not enforce the prohibition law?

Mr. OLIVER of New York. He certainly did.

Mr. O'CONNOR of New York. And is it not a fact that he took steps against some of them?

Mr. OLIVER of New York. And not only that, but he had signed a 2.75 beer bill on March 24, 1920, and your Volstead Act repealed it by the decision of the Supreme Court on June 7, 1920. That is what happened in the State of New York.

We are fighting a fight for State sovereignty and we are going to win that fight before we quit, and do not you forget it. [Applause.] You are dealing now with a rebellion of the people of the United States. You are dealing with no small thing, and a rebellion of the people against this law will defeat your commissioner, whether he be under the President or under the Anti-Saloon League or under the Secretary of the Treasury. [Applause.]

Mr. GARNER of Texas. Mr. Chairman, I yield 20 minutes to the gentleman from Georgia [Mr. Cox].

Mr. COX. Mr. Chairman and members of the committee, I wish to thank the ranking minority member of the committee reporting this bill for the courtesy of allotting to me so much of the time at his disposal. My physical condition is such as not to justify me in appearing upon the floor much less taking part in this debate, but I do not want the opportunity to pass of raising my voice in the advocacy of any measure that strengthens the arm of the Government and enables it to carry conviction to the hearts of all the people that its law is supreme.

The purpose of this bill, as has been stated, is to establish in the Treasury Department a bureau of customs and a bureau of prohibition. I wish to address myself specifically to the question of reorganizing the prohibition department. It is believed by those who have given long and close study to the subject that the passage of the bill will dignify the service and will aid in an efficient administration of the law. It will at least put the directing head in position to direct, giving him greater authority than is now exercised by the head of

the Prohibition Unit, which is desirable. I am doubtful, however, if the bill is of that great importance as is claimed by some, but it is a step in the right direction, and because of that fact I am for it. There is other legislation that is needed which to my mind Congress should enact in the interest of better enforcement, but this is the best that can be hoped for at the present session, and its consideration at this time will give the advocates of modification or repeal who put their opposition to the prohibition law upon the ground that it is not enforced an opportunity of showing if this is the real basis of their opposition, for this is proposed legislation in the interest of enforcement.

Opposition to the bill upon the ground that it creates another bureau is somewhat met by the fact that no additional agency of government is created, but the bill simply takes the Prohibition Unit from under the Internal Revenue Collector, who himself is under an Assistant Secretary of the Treasury, and reorganizes it into a bureau under an Assistant Secretary of the Treasury.

Now, upon the subject of prohibition generally I would like to say that I do not by any means subscribe to all that is contended for by the drys, for much that some say is simple and foolish. Neither do I subscribe to much that is contended for by the advocates of repeal or modification, for the greater part of what they say is grossly exaggerated, if not entirely without foundation in fact. I do not believe that the prohibition law is responsible for all that is good in the land. Neither do I believe that it is responsible for all that is bad. In my opinion, based upon experience and study, it is responsible for a great deal that is good and for very little that is bad.

In discussing this subject we should be appreciative of our responsibility to the people of the country to give them the truth as we find it, uncorrupted by prejudice, but this the wets have not shown a willingness to do.

I concede that the law has not been enforced as it should have been. Speaking generally, it has been enforced in a very indifferent manner, though in some localities it has been properly enforced. Much indiscretion has been shown in the carrying out of the law, and much crime has been committed in its name. The sacredness of home and the privacy of person has often been outraged, peaceable and law-abiding people, men, women, and children, have been subjected to the greatest kind of indignities by agents of the law. The whole prohibition force has unfortunately been flavored with an element wholly unfit from every standpoint for the discharge of the duties that have been placed upon them. These lawless methods of enforcement sometimes employed by the agents of the law—with which we are more or less familiar—have been responsible for much of the prejudice that we find against the law, and it is senseless to deny that some prejudice does actually exist, and it is not entirely confined to the lawless class of our people or to those ignorant of our traditions or indifferent to our destiny, for many patriotic and right-intentioned people favor repeal, and we get nowhere in impugning their motives or in questioning their loyalty.

Let us take up for a brief discussion the indictment brought against the law by the advocates of repeal. A fair analysis of them will force the conclusion that it is an admitted fact that liquor is an evil and should be dealt with as such, and therefore the most that I shall say will be predicated upon this admitted fact.

It is contended that the majority has never willed that we should have prohibition—that the amendment to the Constitution was unfairly enacted; that the law represents the will of the minority. Let me ask in considering this count if the eighteenth amendment was adopted in any manner different to the adoption of the other amendments to the Constitution? Were not constitutional methods employed in its adoption? What methods should have been used that were not used? Does the law not represent the will of the majority as much so as any other amendment to the Constitution? What sanction should have been given that was not given, and wherein did the minority impose upon the majority?

The further contention is made that the passage of the national prohibition act violated the doctrine of State rights; that intoxicating liquor is not a proper subject matter of Federal legislation; that it is a domestic question so far as it affects the States and should have been left to the several States for solution. I am perfectly frank to admit that the eighteenth amendment did encroach upon the original powers of States, and as an original proposition I question if it should have been adopted, but due to the nature of the evil with which the country had to contend there was abundant justification for it. The Volstead Act, however, violates none of the rights of States. It is simply legislation done in the exercise of ex-

press powers delegated by the States to the General Government. So at this time there can be no question of State rights involved. And I would remind the advocates of repeal that the General Government has always treated liquor as a proper subject matter of legislation. The question of control was involved in the policy of the General Government levying a tax on liquor, and, besides, it was conclusively demonstrated by long and painful experience that the States could not effectively deal with the subject. No State as a unit of government and of a will to outlaw liquor could adequately protect its citizens as against its evils when an adjoining State saw fit to give it a legal status.

No one protests against the General Government legislating with reference to opiates, and certainly fair-minded men are willing to admit that intoxicating liquors fall within this same class. The one may not be as great a menace to the human race as the other, but both are evils that are national in character, and why should not the General Government have exercised its powers in controlling them?

The further contention is made that the law is unfair, inequitable, and unjust; that it favors the rich and discriminates against the poor. Let us see about this. How is it unfair? If it wards off an evil that threatens your welfare, has it been unfair to you? If it removed from your pathway a hidden danger, has it done you a wrong? Is it an inalienable and an undelegated right that every person has to destroy himself? If the law denies you that which will harm you, then it is not unfair and has done you no wrong.

But how does this law favor the rich against the poor? Repealists say that liquor is high, and that only the rich can buy. Let us admit that this is true. Is it a discrimination against the poor? You might procure legal restraint against one seeking to do you an injury, but never against one who meant you no harm. If liquor is an evil and the law denies it to the poor, then there is no discrimination against this preponderating class of our people. The repealists further contend that the law is productive of much crime—*theft, arson, murder*. How does the taking of liquor from one make of him a thief or murderer? This contention means that conduct which is produced by the fevered and unbalanced brain is orderly and well regulated; whereas that produced by the sober and well-poised mind is disorderly and ill regulated. In other words, that drunkenness makes for law and right conduct, whereas sobriety produces crime of every character.

I admit that there is much crime committed in connection with the law; but is it because of the law, or is it due to the violation of it?

The contention is made that under the law crime has increased, and conditions in my State have been pointed out as proof of this assertion. I would like to say to this House that I have lived in Georgia all my life, and I am pretty well acquainted with conditions from one side of the State to the other, and I come to bear witness of the falsity of this charge. I have had some 24 years' experience in the practice of the law, some less than four years of this time I presided over one of the circuit courts of the State. In my experience I have been connected in different ways with hundreds of capital felony cases, and I tell you Members that of all this number more than 85 per cent of them was the direct result of the excessive use of liquor. Georgia enacted a bone dry law before the Congress passed the Volstead Act. After the enactment of the State law, crime of every character, with the exception of that involving the prohibition law, decreased more than 60 per cent. Since the enactment of the Volstead Act the decrease has reached not less than 75 per cent of that which existed prior to the enactment of the State law. Some days ago I addressed a communication to all of the presiding superior court judges of Georgia, which communication was in the nature of a telegram as follows:

Clamor for modification of national prohibition law has become liveliest question of the day. Proponents of modification or repeal insist law complete failure and that it has increased crime throughout the country, including Georgia. Will you not write, giving your views upon effect of law as reflected by business tried in your courts? Will want to make public your answer.

To this message to the 36 superior-court judges in Georgia I have had replies from all but 2, and, with the exception of 2 of those making reply, every one has borne testimony to the efficacy of the law and to its wonderful beneficial effects upon the people of the State. Of the two not expressing themselves, one said that he did not try criminal cases; that he only held court within his own circuit; that he had no experience about the matter and, therefore, was unable to give an opinion. The other in replying said that he could no more tell what effect

the national prohibition law has had on crime than he could measure the influence of the tenth commandment on the history of the human race.

Mr. O'CONNOR of New York. Mr. Chairman, are those judges elective officials?

Mr. COX. They are, and that is not to their discredit. The gentleman's question is evidently intended to develop the thought that these replies were prompted by politics rather than by the honest conviction of these officials. I would like to say to the House that there is no State in the Union where the judiciary is cleaner and where it performs a loftier service in the preservation of the Government and all of its institutions than is the case of the State of Georgia. [Applause.]

The argument of the advocates of repeal which has most merit in it is, that the general disregard of this law has engendered a disregard of all laws. I am afraid that there is something in this proposition, but if there is, who is responsible for it? Is it the man who has accepted the law in good faith and has gone about the faithful observance of it? Is it those who are wedded to the idea that the Federal Government encroached upon its subdivisions when it enacted the law? Or is it that same influence which cursed the country for a century who finds that under the operation of the law their business is made less productive of profit?

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GARNER of Texas. Mr. Chairman, I yield the gentleman five minutes more.

Mr. COX. In a speech of a gentleman representing a great State in the other branch of this Congress as reported in the CONGRESSIONAL RECORD of March 4, last, the statement is made that the prohibition law is a vicious statute; that it was passed by a subservient Congress; that for five years it has been poisoning the manhood and the womanhood of America, breaking up homes, contaminating our law-making and enforcement officials, and leaving wreck and ruin within its wake. He said further:

And are we traitors, because a few of us with stout hearts have the temerity to revolt.

What does he mean by those bold words? Revolt against what? Against the Government in its efforts to enforce the law? What dangerous words are these to fall from the lips of a man in high station and in the forefront of public thought of the country? What kind of revolution would he promote in the interest of breaking down the law? Does he mean organized or disorganized revolt? Does he mean peaceful resistance to the Government, or does he mean resistance by arms?

Another distinguished gentleman, a Representative from the Empire State of the Union, made the statement on the floor of this House recently that what he wanted was his wine and beer. I wonder if giving him his wine and beer would make of him a better Representative and a better citizen. Would giving wine and beer to the unfortunates who reside in the tenement districts of his great city put food on their tables? Would it clothe the naked backs of their children? Would it bring to them now in squalor and distress happiness and contentment? What peculiar virtue is there in wine and beer that it should be given to the people?

Mr. O'CONNOR of New York. Mr. Chairman, will the gentleman yield?

Mr. COX. Yes.

Mr. O'CONNOR of New York. Does the gentleman think he is confining his remarks to the bill?

Mr. COX. Quite as much so as the remarks of the gentleman from New York who addressed the House on the adoption of the rule under which the bill was taken up.

The same proponents of repeal say that what we want is a state of law in this country. In other words, gentlemen of the House, they would repeal this law in order that there may be no violation of it. They say that there is no moral turpitude involved, that the thing is a pest—a nuisance and denial of the personal rights of the individual. I wonder if they would repeal all regulatory measures? If they advocate a repeal of all laws in which there is no moral turpitude involved. They say repeal this law and enact a new one—let the Government handle the whole situation—that we should go back to the old dispensary system, as was employed in some of the States. This very argument is an admission of the right of the Government to legislate with reference to liquor, and if it has the right to say as to how it shall be sold, why has it not the right to say that it shall not be sold at all? All of this talk about personal liberty is something that has no meaning. It is license that they demand, not freedom. They are entitled to no liberty except that which they find within the law.

The law is defective; at least, to me it seems so. I disapprove of the idea of pursuing the man that sells without taking regard of the man that buys. They are partners in the same illegal transaction, for without the buyer there would be no seller. What we need is an aroused public sentiment—one that will encourage all the people to take an honest stand upon this great question.

Mr. BLACK of New York. Will the gentleman yield?

Mr. COX. Gladly.

Mr. BLACK of New York. The gentleman from Georgia, all the gentlemen from Georgia, are good politicians, and I can not see why he would not see administration politics in this bill. The White House hears the people all over the country crying for beer and gives them a piece of cheese in the form of this bill.

Mr. COX. My position is this. If this is a good measure then, as a Democrat, I am for it even though it be sponsored by the staunchest Republican in the House.

Mr. HILL of Maryland. Will the gentleman yield for a question?

Mr. COX. I yield.

Mr. HILL of Maryland. I would like to call the attention of the gentleman to the report of the Commissioner of Internal Revenue.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COX. May I have two minutes?

Mr. GARNER of Texas. I yield the gentleman two minutes.

Mr. HILL of Maryland. I would like to call the attention of the gentleman to the report of the Commissioner of Internal Revenue for the year ending June 30, 1925, and to the following report of seizures of illicit distilleries and distilling apparatus. In Georgia in that year distilleries 2,824, stills 2,066, still worms 914, fermenters 25,027. I would like to ask the gentleman if he cares to comment on the question of this illicit distilling apparatus of Georgia which he has been describing as being so strongly for prohibition legislation.

Mr. COX. Any Member of the House conversant with the legislative history of the gentleman from Maryland [laughter] who would take the floor in the advocacy of a prohibition measure might well have anticipated the propounding of this identical question by the gentleman.

Mr. HILL of Maryland. What is the gentleman's answer?

Mr. COX. I will say to the gentleman that Georgia recognizes the supremacy of the national law, and that it is a part of the Union. In Georgia the State authorities cooperate with the Federal officers in an effort toward an honest enforcement of all prohibition measures. [Applause.] If the great State that the gentleman represents had anything of a proper appreciation of its obligation in this matter and exercised one-half the diligence that Georgia exercises in the enforcement of this law, I am confident that the percentage as relates to that State would far exceed that which the Commissioner of Internal Revenue has credited to Georgia. [Applause.]

The CHAIRMAN. The time of the gentleman has again expired.

Mr. COX. Will the gentleman yield me a minute to finish answering the question of the gentleman from Maryland?

Mr. GARNER of Texas. I yield the gentleman one additional minute.

Mr. HILL of Maryland. Now, if the gentleman will examine the figures he will find in all the States that had prohibition before the eighteenth amendment there are more violations in the matter of illicit stills in Georgia than any other State. What I wanted to ask the gentleman is this: Does the gentleman think the passage of this legislation will tend to decrease the thousands and thousands of violations of the prohibition act by distilleries in Georgia which have grown since the passage of the Federal act?

Mr. COX. Of course, I think the passage of this bill will aid in the enforcement of the law. If I believed it was an act intended to destroy the law or in any wise weaken it I would oppose the bill; but believing its passage will aid enforcement in Georgia and elsewhere I am for the bill. [Applause.]

Mr. HILL of Maryland. Does the gentleman think this bill will help to decrease the mounting violations of law by the distillers of Georgia? If he does, with my attitude on this bill, I will vote for it.

Mr. COX. If the gentleman is suffering from doubt as to the purpose and intended effect of this bill, I am very glad to relieve him by telling him that it is a prohibition measure.

Complaint is made that you will bankrupt the Treasury in the enforcement of the law; that \$25,000,000 is too much to appropriate to this one subject. I would say to those who subscribe to such contentions that from the standpoint of the importance of the question it is a mere bagatelle in comparison

with the contribution that they make in support of other agencies of the Government. It will not only take twenty-five million a year to enforce the law as it should be enforced, but it will take a hundred million, and this Government could not better spend the peoples' money that it collects from them than in establishing the authority of the Government in the minds of all people alike.

Are you to listen with a sympathetic ear to those who demand that this Government, representing 115,000,000 people, must yield to the demands of a class which preponderates in its personnel with those who would destroy your Government and all of its institutions in order that they might profit? Speaking for myself individually, I am prepared to favor the appropriation of enough money that will enable the General Government to enforce the law in all the States.

The CHAIRMAN. The time of the gentleman from Georgia has expired.

Mr. GARNER of Texas. Mr. Chairman, I yield three minutes, the remainder of my time, to the gentleman from Mississippi [Mr. LOWREY].

The CHAIRMAN. The gentleman from Mississippi is recognized for three minutes.

There was no objection.

Mr. LOWREY. Mr. Chairman and gentlemen of the committee, two or three times on both sides the question has been raised as to whether or not this is a prohibition measure. I rather think that primarily and preeminently it is not a prohibition measure. But when I came into the Hall the gentleman from Illinois [Mr. SABATH] was on the floor discussing this bill, or making a speech supposed to be in discussion of this bill, and making an ardent attack on prohibition; and since then the gentleman from New York [Mr. OLIVER] has done the same thing.

They may have been wrong, or the men on the other side may have been wrong; but I want to say in the few minutes allotted to me a word in answer to a suggestion made by the gentleman from New York [Mr. OLIVER]. He gives notice that the people are in rebellion against the prohibition law, that they are fighting their battle on the eternal principle of State Rights, and that they are going to win.

As a Confederate soldier my father fought a four years' battle on that proposition over 60 years ago. He and his comrades fought bravely and well for a great cause. I am proud of their valor and their fidelity to principle. But, unfortunately for that great cause, the cause of human slavery was all interwoven and tied up with it, and the forces making that fight went down in defeat. The question of human slavery for a time at least condemned that doctrine and seemingly defeated it. The Christian civilization of this country has gone far beyond human slavery. [Applause.] And now, when the cause of the infamous saloon and the liquor traffic are being tied up with the sacred cause of State Rights, it will, in my opinion, go down exactly in the same way. [Applause.]

The Christian civilization of this country has gone clear beyond the saloon, and we shall never go back to the saloon any more than we shall go back to human slavery. [Applause.]

That State Rights plank has long been one of the solidest, the straightest, and the best-seasoned planks in my political platform and in the platform of Southern Democracy, but, as some one has recently suggested, a lot of you fellows from Chicago, Baltimore, New York, and New England have borrowed it and run off with it, and you have allowed it to get so soaking wet that it has warped and almost rotted in places, so that we can hardly stand firmly on it any more. Yet I hope we can get it dried out and cleaned up to such a degree as to make it thoroughly reputable again.

Mr. HAWLEY. Mr. Chairman, I yield one minute to the gentleman from Maryland [Mr. HILL].

The CHAIRMAN. The gentleman from Maryland is recognized for one minute.

Mr. HILL of Maryland. Mr. Chairman and gentlemen of the committee, I see in the pending question nothing that has to do with the great question of prohibition or modification of the Volstead Act. All I see is the question of raising certain salaries and the recoordination of the Treasury Department.

I desire to ask unanimous consent of the House to continue my remarks by including in them Table No. 87, a statement of number of arrests, seizures, and so forth, by prohibition directors and by general prohibition agents during the fiscal year ending June 30, 1925, made up by the Commissioner of Internal Revenue. I desire to put this in especially because it throws light on the situation in the great prohibition State of Georgia.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

Mr. EDWARDS. Does the gentleman ask unanimous consent to do that?

Mr. HILL of Maryland. Yes. I ask unanimous consent to put that in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from Maryland?

There was no objection.

The table is as follows:

TABLE 87.—Statement of number of arrests, seizures, etc., by Federal prohibition directors, and by general prohibition agents during the fiscal year ended June 30, 1925

States	Illicit distilleries and distilling apparatus seized				Spirits seized (quantity in wine gallons)	Malt liquor seized (quantity in wine gallons)	Wine seized (quantity in wine gallons)	Cider seized (quantity in wine gallons)	Mash seized (quantity in wine gallons)	Pomace seized (quantity in wine gallons)	Automobiles seized	Value of automobiles seized
	Distilleries	Stills	Still worms	Fermenters								
Alabama	610	793	21	9,806	8,755.75	290.37	518.00		860,613.00		29	\$8,460.00
Alaska	2	35	35	1	792.25	1,938.25	451.25		3,098.00		1	200.00
Arizona	119	105	77	303	1,306.10	1,464.08	845.62		32,934.00	930.00	35	16,585.00
Arkansas	135	33	17	1,600	1,938.34	2,103.37	282.88	60.00	74,805.00		19	8,595.00
California	3	395	102		34,681.41	21,345.25	176,893.25	46.00	252,878.00		271	186,910.00
Colorado	5	259	3	675	4,922.57	972.77	5,382.33	1.00	60,751.00	1.00	53	19,120.00
Connecticut	8	22			10,091.00	10,827.00	446.75	4,760.00	305.00		29	25,050.00
Delaware		10	21	90	1,446.50	78,656.00	10.00	28.00	1,015.00		20	30,750.00
Florida	456	743	1,131	11,278	18,688.75	3,387.12	1,461.00		534,842.00		143	37,807.00
Georgia	2,824	2,266	914	25,027	35,431.00	2,243,198.00	231.00	37,633.00	602,025.00		316	113,936.00
Hawaii	61	25	2	510	1,392.16	3,854.73	172.63		19,579.00		7	3,850.00
Idaho	78	116	109	432	1,664.25	784.00	582.50	1,350.00	14,135.00		24	9,315.00
Illinois	170	2,520		40	22,798.86	95,983.13	82,808.29		364,235.00		58	42,000.00
Indiana	6	271	255	230	25,043.50	11,771.00	6,942.00	1.00	88,398.00		34	19,735.00
Iowa		124	129		4,189.81	1,122.00	2,784.50		20,640.00		36	16,275.00
Kansas		78	9		7,045.30	173.00	2,217.00		25,590.00		8	5,400.00
Kentucky	549	580	329	10,238	31,138.40	75,198.11	1,791.00	10.00	343,131.00	200.00	211	74,915.30
Louisiana	30	132	95	1,661	60,572.61	11,197.95	103,515.23		66,329.00		176	73,730.00
Maine					19,967.00	11.25	24.00		500.00		49	7,950.00
District of Columbia and Maryland	719	884	603	10,191	85,085.50	87,474.37	6,539.25	5,892.00	1,264,275.00		490	203,620.00
Massachusetts	16	142	65	220	79,066.00	99,985.50	5,719.00	2,401.00	17,097.00		202	157,430.00
Michigan	7	182	41		3,630.72	119,648.45	2,601.55	443.00	161,926.00		190	83,855.00
Minnesota	126	87	40		55,473.86	2,072.38	3,987.92		126,840.00	1,146.00	50	47,535.00
Mississippi	126	98	87	1,484	6,906.49	1,785.87	339.75		152,965.00		23	10,250.00
Missouri	234	109	81	5	20,319.22	31,497.93	8,805.26	156.00	951,499.00		82	39,110.00
Montana		189	187	761	3,633.99	3,652.49	5,397.50		68,979.00		37	10,860.00
Nebraska		160	120		17,777.50	3,335.00	3,034.00		63,123.00		59	32,475.00
Nevada	38	76	59	385	1,714.53	2,213.39	3,628.62		19,955.00		6	280.00
New Hampshire		10	3		4,477.50	1,190.00	164.75	3,938.00	478.00		110	49,525.00
New Jersey	168	327	265	16	58,732.25	241,349.00	17,736.50	764.00	58,662.00		214	172,600.00
New Mexico	9	97	11	39	1,789.12	11.75	2,428.00	85.00	49,101.00		18	7,200.00
New York	223	105	24	1,306	140,657.00	486,111.00	91,740.00	42,267.00	60,105.00	1,036.00	1,246	735,453.00
North Carolina	839	1,917	686	18,340	18,272.00	1,512,303.00	4,907.50	3,721.00	300,400.00	22,420.00	219	70,520.75
North Dakota	20	193	214	258	1,879.85	677.12	202.60	1,846.00	9,774.00	42.00	25	9,050.00
Ohio	122	35	2		16,004.75	55,123.87	635.20	940.00	53,574.00		151	72,980.00
Oklahoma	341	192	36	4,830	5,229.12	3,106.00	668.24	1,107.00	160,533.00		68	26,350.00
Oregon		116	112	466	2,067.57	836.87	1,070.25	450.00	37,694.00		42	13,050.00
Pennsylvania	26	268	48		78,482.00	1,599,827.25	8,916.75	2,525.00	215,038.00		206	141,105.00
Porto Rico		790	12		3,823.00		1,032.25		112,745.00		14	6,375.00
Rhode Island		30	20	168	30,263.50	31,727.25	2,167.37		3,281.00		85	46,555.00
South Carolina	575	551	147	5,388	102,286.00		209.25		401,807.00	2,200.00	64	23,890.00
South Dakota	106	45	47	794	1,839.50	183.75	576.49	2.00	42,296.00		20	8,000.00
Tennessee	1,107	750	428	12,555	13,560.12	107,857.37	1,504.50		906,107.00	800.00	252	73,235.00
Vermont		2			750.63	2,096.00	17.00	50.00	11.00		18	5,650.00
Virginia	1,309	1,109	759	9,029	20,145.23		412.25	4,680.00	814,440.00	18,955.00	165	57,280.00
Texas	363	336	229	3,037	8,534.18	6,194.86	837.48		112,635.00		167	60,026.00
Utah	69	103	73	135	1,849.37	2,515.75	368.87	250.00	29,707.00		8	2,175.00
Washington	88	200	176	870	11,115.39	8,745.12	4,738.66	435.00	128,120.00	66.00	142	50,987.10
West Virginia	162	100	7	960	4,134.75	1,270.36	651.50	100.00	51,264.00		134	50,125.00
Wisconsin	2	107	6	4	4,186.60	61,878.36	961.27	9,600.00	44,088.00		45	32,765.00
Wyoming	171	37	7	1,678	7,233.85	1,889.86	563.24	750.00	44,543.00		18	9,825.00
Total	12,023	17,854	7,850	134,810	1,102,787.65	7,040,537.30	569,921.50	126,291.00	9,828,925.00	47,796.00	6,089	3,010,720.35

Mr. HERSEY. Mr. Chairman, will the gentleman from Oregon yield one more minute to the gentleman from Maryland?

Mr. HAWLEY. Yes; I yield him one additional minute.

Mr. HERSEY. Will the gentleman from Maryland yield?

Mr. HILL of Maryland. Yes; I yield to the gentleman from Maine.

Mr. HERSEY. The gentleman from Maryland has produced a list of arrests and seizures in the State of Georgia. Does not that show, if it shows anything, that the law is being enforced in Georgia?

Mr. HILL of Maryland. I will say to the gentleman that it shows something very interesting. It shows that since national prohibition came into competition with State prohibition in Georgia—and I will ask the attention of the gentleman from Maine, who asked this question—there has been a steadily mounting number of violations of the Federal and State prohibition acts.

I am going to vote for this bill. I feel that this bill is necessary in order to make it apparent that there is no chance to attempt to enforce a law which is obviously impossible of enforcement. [Applause.]

Note, as to conditions in Georgia, what the Atlanta Georgian said on Monday, April 5, 1926:

FIFTY-EIGHT "STEWES" JAILED IN ATLANTA AFTER EASTER IMBIBING

Drunkenness in Atlanta on Easter Sunday reached a new record when 58 persons were arrested on this charge, police records revealed Monday. This number, according to the officers, shades all former records for drunk arrests made in a single day.

On Palm Sunday, a week ago, a total of 48 persons were taken into custody charged with being drunk, bringing the total for the past two Sundays to 106.

Those arrested were released as soon as they had sobered and with the posting of \$11 as collateral. The usual fine in such cases is \$6 for week days, but an additional \$5 is added for being drunk on Sunday.

[Applause.]

Mr. HAWLEY. Mr. Chairman, I yield two minutes to the gentleman from Washington [Mr. SUMMERS].

The CHAIRMAN. The gentleman from Washington is recognized for two minutes.

Mr. SUMMERS of Washington. Mr. Chairman and gentlemen, we who believe in the Constitution of the United States, including the eighteenth amendment, favor this piece of legislation because we believe it will assist in the enforcement of the law.

We are concerned, however, with this provision, which recites that—

The commissioner of prohibition, with the approval of the Secretary of the Treasury, is authorized to appoint such employees in the field service as he may deem necessary, but all appointments of such employees shall be subject to the provisions of the civil service laws.

I think I am not mistaken when I say that General Andrews testified the other day before the Senate committee that he had never taken into consideration, in making any appointment, the attitude of the one whom he was appointing toward the prohibition law, simply relying on his high standard as an enforcer of law, regardless of what the law might be.

When the Civil Service Commission is conducting examinations and procuring an eligible list for postmasters, they take into consideration certain qualifications.

The CHAIRMAN. The time of the gentleman from Washington has expired.

Mr. HAWLEY. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. SUMMERS of Washington. Stenographers the same thing, and engineers the same thing; in other words, the peculiar fitness and the ability, considered from every angle, of the one whom they are certifying as being qualified for that particular position. My understanding is that plan will be followed to the letter in determining an eligible list from which appointments in the Prohibition Unit may be made. I will ask the gentleman in charge of the bill whether it is his understanding that the Civil Service Commission is going to take into consideration the absolute fitness, all questions considered, of those whom they recommend for appointment?

Mr. HAWLEY. I suppose they will follow the usual rule and require certain qualifications of all persons who apply for appointment.

Mr. SUMMERS of Washington. That is my understanding.

Mr. HAWLEY. Mr. Chairman, there is no further debate, and I ask that the bill be read for amendment.

The CHAIRMAN. The Clerk will read the bill for amendment.

Mr. GREEN of Florida. Mr. Chairman, a parliamentary inquiry.

The CHAIRMAN. The gentleman will state it.

Mr. GREEN of Florida. I desire to offer an amendment to this bill, and I would like to ask when it will be in order to offer such an amendment?

The CHAIRMAN. The bill will be read for amendment by sections.

The Clerk read as follows:

Be it enacted, etc., That there shall be in the Department of the Treasury a bureau to be known as the bureau of customs, a bureau to be known as the bureau of prohibition, a commissioner of customs, and a commissioner of prohibition. The commissioner of customs shall be at the head of the bureau of customs, and the commissioner of prohibition shall be at the head of the bureau of prohibition. The commissioner of customs and the commissioner of prohibition shall be appointed by the Secretary of the Treasury, and each shall receive a salary at the rate of \$8,000 per annum.

Mr. GREEN of Florida. Mr. Chairman, I offer an amendment. I move to strike out the words "Secretary of the Treasury" and insert in lieu thereof the words "Secretary of the Navy," in line 11, page 1.

The CHAIRMAN. The gentleman from Florida offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. GREEN of Florida: Page 1, line 11, strike out the words "Secretary of the Treasury" and insert in lieu thereof the words "Secretary of the Navy."

Mr. HAWLEY. Mr. Chairman, I make the point of order that the amendment is not germane to the purposes of the bill.

The CHAIRMAN. The Chair is ready to rule on the point of order.

Mr. GREEN of Florida. Mr. Chairman, I would like to say that we need a good, strong dry man to enforce this law, and Mr. Wilbur, the Secretary of the Navy, is such a man.

The CHAIRMAN. This bill is for the purpose of reorganization in the Treasury Department, so that the amendment is not germane. The point of order is sustained.

The Clerk read as follows:

Sec. 2. (a) The Secretary of the Treasury is authorized to appoint, in each of the bureaus established in section 1, one assistant commissioner, two deputy commissioners, one chief clerk, and such attorneys and other officers and employees as he may deem necessary.

(b) The Secretary of the Treasury is authorized to designate an officer of the bureau of customs to act as commissioner of customs during the absence or disability of the commissioner of customs, or in the event that there is no commissioner of customs; and to designate an officer of the bureau of prohibition to act as commissioner of prohibition during the absence or disability of the commissioner of prohibition, or in the event that there is no commissioner of prohibition.

(c) The personnel of the bureau of customs shall perform such duties as the Secretary of the Treasury or the commissioner of customs may prescribe, and the personnel of the bureau of prohibition shall perform such duties as the Secretary of the Treasury or the commissioner of prohibition may prescribe.

Mr. HILL of Maryland. Mr. Chairman, I move to strike out the last word. I do this for the purpose of asking the gentleman

in charge of the bill—which is unquestionably the case—whether these employees come under the classified service?

Mr. HAWLEY. Yes.

The pro forma amendment was withdrawn.

The Clerk read as follows:

Sec. 5. (a) The Secretary of the Treasury is authorized to transfer to the bureau of prohibition such records, property (including office equipment), and personnel of the office of the Commissioner of Internal Revenue as may be necessary for the exercise by the bureau of prohibition of the functions vested in it.

(b) The commissioner of prohibition, with the approval of the Secretary of the Treasury, is authorized to appoint such employees in the field service as he may deem necessary, but all appointments of such employees shall be made subject to the provisions of the civil service laws, notwithstanding the provisions of section 38 of the national prohibition act, as amended. The term of office of any person who is transferred under this section to the bureau of prohibition, and who was not appointed subject to the provisions of the civil service laws, shall expire upon the expiration of six months from the effective date of this act.

Mr. McKEOWN. Mr. Chairman, I offer an amendment. On page 4, line 18, after the word "laws" insert the following:

Experience as an officer shall be taken into consideration in the grade.

The CHAIRMAN. The gentleman from Oklahoma offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: Page 4, line 18, after the word "laws" insert the following: "Experience as an officer shall be taken into consideration in the grade."

Mr. CRAMTON. Mr. Chairman, I make the point of order that the amendment is not germane.

Mr. CARTER of Oklahoma. Mr. Chairman, I ask that the amendment be again reported.

Mr. McKEOWN. I did not have it prepared but it is to this effect—

The CHAIRMAN. Will the gentleman from Michigan withhold his point of order?

Mr. CRAMTON. I withhold it.

Mr. CARTER of Oklahoma. Mr. Chairman, I ask that the amendment be again reported.

The CHAIRMAN. Without objection the Clerk will again report the amendment.

There was no objection.

The Clerk read as follows:

Amendment offered by Mr. McKEOWN: Page 4, line 18, after the word "laws" insert the words "experience as an officer shall be taken into consideration in the grade."

Mr. CRAMTON. Mr. Chairman, I make the point of order that the amendment is not germane. The sentence which the gentleman is seeking to amend has nothing to do with the appointments which the gentleman has in mind, but only has to do with the expiration of their terms of office.

Mr. McKEOWN. Mr. Chairman, the amendment should be offered in line 13. I made a mistake. I ask unanimous consent to withdraw the amendment and offer another one.

The CHAIRMAN. The gentleman from Oklahoma asks unanimous consent to withdraw his amendment and reoffer it. Is there objection?

There was no objection.

Mr. McKEOWN. Mr. Chairman, it should be inserted in line 13, and the purpose of it is this: Some of the best enforcement officers in the history of the Indian Territory were men who could not read and write. I have in mind an officer whose memory will be revered as long as people live in the southern part of Oklahoma. He is a man to whom the Nation ought to erect a monument, yet he could not read and write. He was a man who went into that Territory as a deputy United States marshal. His name was Bob Nestor, and he was the best officer in that entire country. Another one I can mention was Dick Couch, who was dreaded by the bootleggers of his day.

Gentlemen, you can not make educational qualifications the test of the efficiency of an officer to enforce the prohibition laws. In making these appointments under the civil service the experience of the person who is an applicant for the position ought to have primary consideration. [Applause.] There is no question about that. The mere fact that a man is educated is not going to make him a good officer, because you have to deal with every kind of element. You have to deal with the criminal element. The Indian Territory was dry long before you dreamed of any Volstead Act, and the men who enforced that law, in many instances, were unlettered and unlearned,

but I want to say to their eternal credit that they were brave and dared to enforce the law without fear or favor and made the people respect the law, and the memory of these officers is now respected because they enforced all of the laws, and yet they could not even make up their own reports to the department here at Washington. I say to you, gentlemen, that you ought to make experience as officers the primary test in the appointment of men under the civil service to enforce these laws.

Mr. BLACK of New York. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. BLACK of New York. There ought to be another qualification. They ought to know how to order a meal at the Mayflower.

Mr. McKEOWN. The gentleman is treating lightly a serious matter.

Mr. BLACK of New York. They did not treat lightly; they treated pretty heavily, if the gentleman remembers.

Mr. McKEOWN. Well, that kind of law enforcement is not the kind of law enforcement you get from officers who have their hearts and souls in enforcing the law and have respect for the sovereign law of this country. [Applause.]

Mr. GREEN of Florida. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. GREEN of Florida. Does not the gentleman believe that if those men had been dry men instead of wets, like many other prohibition agents, and Mr. Andrews among them, we would have had the law enforced?

Mr. McKEOWN. I think Mr. Andrews is taking care of the situation as best he can under the circumstances.

Mr. BLANTON. Will the gentleman yield?

Mr. McKEOWN. Yes.

Mr. BLANTON. I want to call the gentleman's attention to the fact that right now, up in the gallery, there is from his State one of the dryest men in the United States—Will Rogers—who has just walked out of the gallery, I think.

Mr. McKEOWN. I did not know he was up there. Oklahoma is proud of Will Rogers.

Here is the proposition, gentlemen. The trouble with the enforcement of the prohibition law is that we are not getting down to brass tacks because we are trying theories. I think the law needs to be tested in order to give us a chance to see what is going to be the result, and I think we ought to make experience as an officer one of the principal tests.

The CHAIRMAN. The time of the gentleman from Oklahoma has expired.

Mr. CRAMTON. Mr. Chairman, as we have heard the amendment of the gentleman from Oklahoma hurriedly presented to us, I think none of us is sure it fits into the language smoothly. The purpose is entirely all right, but the amendment is entirely unnecessary. I think it is quite undesirable to litter up a statute unnecessarily. The Civil Service Commission in all its examinations, and especially in such an examination as this, gives great weight to training and experience, and they have expressly stated in letters and hearings that as to these examinations, if I recall correctly, as much as 80 or 85 per cent of the weight will go to training and experience, and hence the gentleman's amendment is unnecessary.

The gentleman refers to the fact that the agents in the Indian Territory could not read or write. These agents should be able to smell, anyway, but we do not have to put that in the statute. We can depend on the Civil Service Commission to prescribe the right kind of examination.

Mr. McKEOWN. If the gentleman will yield, I am basing my amendment on my experience in the appointment of narcotic agents, and to enforce the prohibition laws it is necessary that a man should really be fitted for the job, and his educational qualifications have nothing to do with his ability as a law-enforcing officer.

Mr. CRAMTON. It will not be a handicap if he is able to read and write enough to make a report, and, as I have said, 80 or 85 per cent of the weight is to be given to experience and training.

Mr. LEAVITT. Mr. Chairman, I am entirely in sympathy with the purposes of the amendment proposed by the gentleman from Oklahoma, but the fact is that the Civil Service Commission at the present time fills many positions with examinations based largely on experience, and the actual working out of this proposed law will not require that there be a specific statement in the statute.

I consider that the civil-service requirements set forth in this bill constitute one of the strongest features of it. It is essential that any officer charged with the enforcement of the prohibition law shall be removed as far as possible from such political or other pressure as will interfere with the freedom and efficiency of his action. The protection of the civil service,

a protection against unjust removal because of political or personal demand, will not mean the perpetuation of inefficiency. There is always a way within the law to get rid of the man who is insubordinate, disloyal, dishonest, or inefficient. There should be no way to get rid of a man because he is an honest and efficient officer, and the civil-service status given enforcement officers by this bill is the best way by which a square deal to all concerned can be guaranteed.

Mr. Chairman, I am in favor of the passage of this bill to create a bureau of customs and a bureau of prohibition in the Department of the Treasury because I am convinced that the strengthening of the organized agencies for the enforcement of the prohibition law will add greatly to the success of the Government to that end. [Applause.]

Mr. HAWLEY. Mr. Chairman, I move to strike out the last two words.

When we were discussing this matter in the committee the question of credit for experience was raised, and we understand the same condition prevails that the gentleman from Michigan [Mr. CRAMTON] stated. We understand such experience is given its proper weight, and it is not necessary to make any specific insertion of such language in the bill.

Mr. GARRETT of Texas. Will the gentleman yield?

Mr. HAWLEY. Yes.

Mr. GARRETT of Texas. If the gentleman from Michigan is correct in his statement that 80 per cent credit will be given to the experience of men, then there will be no trouble about it, because 75 per cent will pass it; and if they have 80 per cent of experience, they can fail in all other respects, and still they will be all right.

Mr. HAWLEY. I hope the amendment will be voted down.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oklahoma.

The amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The gentleman from New York offers an amendment, which the Clerk will report.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 4, line 19, add the following new paragraph:

"(c) The commissioner of prohibition, prohibition administrators, and deputy prohibition administrators, and all employees in the bureau of prohibition shall give all of their time exclusively to the United States Government and shall not engage in any other calling, occupation, profession, or trade, and shall not receive any salary, pay, allowance, or honorarium from any source other than their regular salary paid by the United States Government: *Provided*, That this limitation shall not apply to a pension, compensation, or an allowance received from the United States Government."

Mr. LAGUARDIA. Mr. Chairman, I have presented that amendment to the chairman of the committee and to the ranking member on the Democratic side, and I do not care to discuss it.

Mr. CRAMTON. Mr. Chairman, the purpose of the gentleman's amendment, of course, no one will quarrel with; but if we have a proper administration, there will be no occasion for the amendment. I have some fear of some complications that may come if the amendment is adopted. The administrative authorities have not had a chance to examine it and see what the effect would be. It occurs to me, for instance, that a man might have some property interest from which he derives some income, but does not give any time to it except to sign a few papers—I do not know whether that would prevent his receiving any dividend on bank stock or not. Furthermore, suppose an investigator should find it necessary to take private employment in order to get in a position where he could get evidence against a violator. He might be employed as a waiter; he might be employed as a watchman; but whatever the employment it brought him in touch with the place where he was seeking evidence. In any event I do not believe the language is needed in the bill, and in some way I fear it might hamper the administration. I hope the amendment will be defeated.

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The question was taken; and on a division (demanded by Mr. LAGUARDIA) there were—ayes 16, noes 64.

So the amendment was rejected.

Mr. LAGUARDIA. Mr. Chairman, I offer another amendment.

The Clerk read as follows:

Page 4, line 19, strike out the period and insert a semicolon and add the following: "*Provided*, That no person now in the service or temporarily appointed as herein provided shall be covered by the civil service unless he is duly qualified after taking a competitive examination in accordance with the provisions of the civil service laws."

Mr. LAGUARDIA. Mr. Chairman, before my colleague, the gentleman from Michigan, says that this amendment is not necessary I want to state that it is necessary if the committee is on the level on this bill. Let us be perfectly frank—if you want the civil service, this is the way to get civil service. If you are beating around the bush, standing up, and telling the House it is not necessary, as the gentleman from Michigan did on the amendment that was just voted down, which permits the administrator in the city of Pittsburgh to receive a salary from a railroad company, when in doing that he can not enforce the law, let us know it. Every time we offer an amendment that will strengthen the law some prohibitionist stands up and says it is not necessary.

Mr. GARNER of Texas. Mr. Chairman, will the gentleman yield? I understood the gentleman to say that he had submitted this amendment that was just voted down to the chairman in charge of the bill, and that he had agreed to it.

Mr. LAGUARDIA. He told me that he had no objection.

Mr. HAWLEY. The gentleman from New York submitted the amendment and said that he would make a change in it. He made the change, and I made no comment on it but took it to the gentleman from Michigan.

Mr. GARNER of Texas. It was drawn and well considered, and I know an amendment of a similar nature ought to be put into the law. That is my judgment. The very abuse that the gentleman referred to was called to the attention of the Committee on Ways and Means.

Mr. LAGUARDIA. I want to say in response to the gentleman from Michigan that if a man in the employ of the prohibition director wants to obtain evidence in the manner suggested by him he has to obtain the permission of his superior officer to do so, and if he receives a salary for that while in the employment of the Government, of course, he must turn the money to the Government and account for it. The gentleman from Michigan is not concerned over the boy that goes to work as a waiter to get evidence of a little petty violation, or the man that goes into the brewery and works on a truck; but it is the big fellow in Pittsburgh that the gentleman from Michigan is protecting, a man who is drawing \$6,000 as administrator and a salary of \$12,000 from a railroad company engaged in transportation of freight and subject to supervision of the prohibition department.

There has not been one report of violation by any railroad in Pennsylvania since this dual-salaried official is in office, and the dry champions get up to protect that condition. It is rotten; it is graft; it is corruption; and the gentleman from Michigan [Mr. CRAMTON] is protecting that condition.

Mr. LOWREY. Mr. Chairman, will the gentleman yield?

Mr. LAGUARDIA. Yes.

Mr. LOWREY. I think the gentleman is right in the main, but here is a thing that ought to be covered in the matter. In my State in the country districts I know there are places where men are needed in this prohibition enforcement, just like deputy sheriffs are needed, but there is not work enough to justify a salary for full time. Yet they are needed for part time. It would be a rather dangerous thing to make it so that a man could not work on a salary elsewhere.

Mr. LAGUARDIA. But there is no such thing as part-time employment in the Prohibition Unit. They are like the post-office employees. A post-office employee can not take other work. When I was in the Immigration Service I was an interpreter and I was considering taking a position to teach night school to help myself along in the law school. I could not do it under the civil service laws. The Commissioner of Immigration would not permit any of us to take employment. That is not what the gentleman from Michigan [Mr. CRAMTON] wants to prevent. He does not care anything about the little fellow who gets a drink in a restaurant. It is the wholesaler, it is the prohibition administrator who is taking a salary from a railroad whom he seeks to protect.

Mr. CRAMTON. Mr. Chairman, I had not intended to say anything upon this amendment, but I think I can not very well avoid it, since the gentleman's remarks have nearly all been a discussion of me and my motives. Further, his discussion has not been to the pending amendment. I think that ought to be discussed. His discussion has been on the amendment which has just been defeated. As to that, I need only say that I do not know who the official is in Pittsburgh and never heard of him and do not know a thing about him.

Mr. LAGUARDIA. There was testimony about it in the Senate committee.

Mr. CRAMTON. The gentleman will let me proceed. I think the gentleman's discussion has been helpful if such a situation exists as he has outlined. I think the publicity he has given may help to correct it.

The pending amendment is that those who are now in the service and who want to be reappointed must take an examination. That language is unnecessary and undesirable, because the section as it stands, drawn by the legislative drafting service, as I understand it, provides, first, that every one hereafter appointed into this service can only be appointed under the civil service law, and second, the terms of office of those now in the service expire in six months. After that time if they get back they will get back as this act provides.

I hope the time has not come in this House when we who are thick and thin supporters at all times in favor of 100 per cent enforcement of the law, which we believe is right and just, shall be lectured, not by recent converts but by those who are not converted as yet to the efficacy of the law. [Applause.]

The CHAIRMAN. The question is on the amendment offered by the gentleman from New York.

The amendment was rejected.

Mr. GREEN of Florida. Mr. Chairman, I offer the following amendment which I send to the desk.

The Clerk read as follows:

Amendment by Mr. GREEN of Florida: Page 4, line 19, after the word "act," add the following: "No one shall be employed in prohibition enforcement who advocates a modification of the Volstead law or advocates the sale of light wines and beers."

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida.

The question was taken; and on a division (demanded by Mr. GREEN of Florida and Mr. BLANTON) there were—ayes 27, noes 58.

So the amendment was rejected.

The Clerk read as follows:

SEC. 6. Any action or decision of the Secretary of the Treasury under the national prohibition act, as amended, or of any officer upon whom the power to take such action or make such decision is conferred, shall be subject to the same review by a court of equity as the action or decision of the Commissioner of Internal Revenue under such act, as amended, prior to the effective date of this act.

Mr. LAGUARDIA. Mr. Chairman, I offer the following amendment, which I send to the desk and ask to have read.

The Clerk read as follows:

Amendment offered by Mr. LAGUARDIA: Page 5, after section 6, add the following new section:

"SEC. 7. It shall be the duty of the commissioner of prohibition and all employees in the bureau of prohibition to enforce the provisions of the national prohibition act and to devote their attention, activities and efforts to violations of the act in the traffic, transportation, and sale of alcohol, brandy, whisky, rum, gin, and other spirituous, vinous, or fermented liquor, liquids and compounds and beverages obtained by the alcoholic fermentation of an infusion or decoction of barley malt, cereals, and hops in drinkable water or by the natural fermentation of apple or other fruit, vegetable, or herb juices containing not more than 2.75 per cent of alcohol by volume."

Mr. HAWLEY. Mr. Chairman, I make the point of order against the amendment.

The CHAIRMAN. The Chair is ready to rule. The point of order is sustained.

The Clerk concluded the reading of the bill.

Mr. HAWLEY. Mr. Chairman, I move that the committee do now rise and report the bill back to the House with the recommendation that it do pass.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. TINCER, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill (H. R. 10729) to create a bureau of customs and a bureau of prohibition in the Department of the Treasury, and had directed him to report the same back to the House without amendment, with the recommendation that the bill do pass.

Mr. HAWLEY. Mr. Speaker, I move the previous question on the bill to final passage.

The previous question was ordered.

The bill was ordered to be engrossed and read a third time; was read the third time.

The SPEAKER. The question is on the passage of the bill. The question was taken—

Mr. BLANTON. Mr. Speaker, I ask for a division.

The SPEAKER. The gentleman from Texas demands a division.

The House again divided; and there were—ayes 196, noes 4.

So the bill was passed.

On motion of Mr. HAWLEY, a motion to reconsider the vote by which the bill was passed was laid on the table.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, one of its clerks, announced that the Senate had insisted upon its amendments to the bill (H. R. 4007) to amend an act approved June 20, 1910, entitled "An act to enable the people of New Mexico to form a constitution and State government and be admitted into the Union on an equal footing with the original States; and to enable the people of Arizona to form a constitution and State government and be admitted into the Union on an equal footing with the original States," disagreed to by the House of Representatives had agreed to the conference asked by the House on the disagreeing votes of the two Houses thereon and had appointed Mr. STANFIELD, Mr. SMOOT, and Mr. JONES of New Mexico to be the conferees on the part of the Senate.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 10198) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of such District for the fiscal year ending June 30, 1927, and for other purposes.

The message also announced that the Senate had agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H. R. 8264) making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1927, and for other purposes.

ENROLLED BILLS AND RESOLUTION SIGNED

Mr. CAMPBELL, from the Committee on Enrolled Bills, reported that the committee had examined and found truly enrolled bills and resolution of the following titles, when the Speaker signed the same:

H. R. 6556. An act for the establishment of artificial bathing pools or beaches in the District of Columbia;

H. R. 6774. An act to authorize the settlement of the indebtedness of the Government of the Kingdom of Belgium to the Government of the United States of America;

H. R. 8830. An act amending the act entitled "An act providing for a comprehensive development of the park and playground system of the National Capital," approved June 6, 1924;

H. R. 7470. An act to authorize the Secretary of War to grant to the New York, Chicago & St. Louis Railway Co., its successors or assigns, a perpetual easement for railroad right of way over and upon Camp Sherman Military Reservation in the State of Ohio;

H. R. 10275. An act authorizing appropriations for construction at military posts, and for other purposes;

H. J. Res. 204. Joint resolution authorizing certain military organizations to visit France, England, and Belgium; and

S. 2091. An act for the relief of Florence Proud.

RESIGNATION AS REPRESENTATIVE

The SPEAKER. The Chair lays before the House the following communication.

The Clerk read as follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D. C., April 27, 1926.

HON. NICHOLAS LONGWORTH,

Speaker House of Representatives, Washington, D. C.

SIR: I beg to inform you that I have this day transmitted to the Governor of Missouri my resignation as Representative in Congress of the United States from the eleventh district of Missouri, to take effect as of December 1, 1926.

In my letter to the Governor of Missouri I have explained that the reason for this resignation is that I am filing for both the short and the long term as a candidate for the Democratic nomination for the United States Senate.

I am taking this course so that in the event a special session of Congress is called the district which I represent would have continuous representation and at the same time my notice to the governor will obviate the expense of holding a special election to fill the vacancy which my resignation will cause on that date.

With great respect,

Your obedient servant,

HARRY B. HAWES.

POSTPONEMENT OF A BILL

The SPEAKER. The Senate has passed the bill (H. R. 6536) entitled "An act to amend section 129 of the Judicial Code relating to appeals in admiralty cases" with an amendment. Since the bill S. 989, an identical bill, has already passed the House and has become a law, without objection the House bill will be taken from the Speaker's table with the Senate amendment and be indefinitely postponed.

There was no objection.

CHANGE OF REFERENCE

The SPEAKER. Senate bill 1821 was referred to the Committee on the Public Lands. The Chair understands the chairman of the Committee on the Public Lands and the chairman of the Committee on Mines and Mining have conferred together and think the proper reference should be to the Committee on Mines and Mining, and therefore the Chair refers the bill to that committee.

CONFERENCE REPORT, DISTRICT OF COLUMBIA APPROPRIATION BILL

Mr. FUNK. Mr. Speaker, on behalf of the Committee on Appropriations I present a conference report on the bill H. R. 10198 for printing under the rule.

The SPEAKER. The Clerk will report the bill by title.

The Clerk read as follows:

A bill (H. R. 10198) making appropriations for the government of the District of Columbia and other activities chargeable in whole or in part against the revenues of said District for the fiscal year ending June 30, 1927, and for other purposes.

The SPEAKER. Ordered printed.

LEAVE TO ADDRESS THE HOUSE

Mr. GARRETT of Tennessee. Mr. Speaker, I ask unanimous consent that on Thursday next the gentleman from Mississippi [Mr. BUSBY] may have opportunity to address the House for 30 minutes following the addresses for which orders have been made.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that on Thursday, after the reading of the Journal and the conclusion of business on the Speaker's table and other orders of the House, the gentleman from Mississippi [Mr. BUSBY] may have the privilege of addressing the House for 30 minutes. Is there objection?

Mr. COOPER of Wisconsin. Mr. Speaker, reserving the right to object, on what date?

Mr. GARRETT of Tennessee. Thursday.

The SPEAKER. Is there objection? [After a pause.] The Chair hears none.

Mr. GARRETT of Tennessee. I have another request to make. I ask unanimous consent that immediately following the address of Mr. BUSBY that the gentleman from Texas [Mr. BOX] may address the House for one hour upon the subject of French spoliation claims.

The SPEAKER. The gentleman from Tennessee asks unanimous consent that at the conclusion of the address of the gentleman from Mississippi [Mr. BUSBY] that the gentleman from Texas [Mr. BOX] may have the privilege of addressing the House for one hour on the subject of French spoliation claims. Is there objection?

Mr. TILSON. Mr. Speaker, reserving the right to object, it seems that we are loading up Thursday pretty heavily. I dislike very much to say "No" to the very distinguished gentleman from Texas, but I was wondering if some other day would not suit the convenience of the gentleman equally well to deliver his speech?

Mr. GARRETT of Tennessee. Of course, we have not the confidence of the steering committee, and I do not know what may be up on Friday.

Mr. TILSON. Suppose it were the Private Calendar. Would not the gentleman's address fit in quite as well?

Mr. BOX. The gentleman from Texas does not desire to displace any pressing matter.

Mr. TILSON. I hope to get up on Thursday the Consent Calendar, which contains important business for many Members of the House, and I should regret very much to use up all of the day in what amounts to general debate.

Mr. BOX. I think that the gentleman's suggestion ought to be met. If my leader and the gentleman from Connecticut can arrange it, I will submit myself to the discretion of the House. I do not want to crowd out the Consent Calendar, but I do want an opportunity to present my views on French spoliation claims.

Mr. TILSON. I shall not object to the request of the gentleman if it applies to Friday, but I feel that I must object to it if it is Thursday.

Mr. CHINDBLOM. May I inquire of the gentleman from Texas whether it is just a discussion of the subject that he contemplates?

Mr. BOX. It is a discussion of the question that may lead to legislation.

Mr. CHINDBLOM. I would be happy if it could lead to legislation on the subject of French spoliations.

Mr. GARRETT of Tennessee. Or it might be a defeat of legislation.

Mr. CHINDBLOM. I would be glad if it would lead to legislation on the question.

Mr. BOX. I do not wish to crowd out the other calendar.

Mr. TILSON. Would the gentleman be satisfied to use 30 minutes?

Mr. BOX. No. I have not heretofore imposed myself on the House.

Mr. TILSON. Then I shall have to object to the request for Thursday.

Mr. GARRETT of Tennessee. Mr. Speaker, I continue the request that I have made for Thursday.

The SPEAKER. Is there objection to the request of the gentleman from Tennessee?

Mr. TILSON. I object to the request for Thursday and ask unanimous consent that the gentleman from Texas may have an hour on Friday, following the reading of the Journal and the disposition of matters on the Speaker's table.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. DENISON. Mr. Speaker, I ask unanimous consent on Friday, following the gentleman from Texas [Mr. Box], I be permitted to address the House for 25 minutes on the subject of bridges and bridge bill legislation.

The SPEAKER. The gentleman from Illinois asks unanimous consent that on Friday, following the gentleman from Texas [Mr. Box], he be permitted to address the House for 25 minutes on the subject of bridges and bridge bills. Is there objection?

Mr. DENISON. I expect to discuss the policies that have been developed by the committees of the House and Senate with reference to the construction of bridges, particularly toll bridges, and explain them, and insert in the Record at that time the forms for different kinds of bridges that have been approved by the two committees.

Mr. O'CONNOR of Louisiana rose.

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

Mr. O'CONNOR of Louisiana. I desire to ask the gentleman a question.

Mr. GARRETT of Tennessee. Yes; I object to the request of the gentleman from Illinois. At least I reserve the right to object until the gentleman answers the question of the gentleman from Louisiana.

Mr. O'CONNOR of Louisiana. I wish to address my question to the majority leader. I wanted to know why the House Committee on War Claims will not report bills passed by the Senate giving relief to persons for claims arising out of Civil War matters. The Congress is acting very generously to European countries, and it appears to me that if we can not be as charitable to our own we should at least be just as generous to these persons who were loyal to the Union cause during the Civil War and who have meritorious claims. The Senate is passing bills, notwithstanding the provisions of the Crawford Act, or Crawford amendment, so called, which can not, of course, be in derogation of the act's powers and duties of subsequent Congresses.

In the South particularly we are embarrassed by the parliamentary situation that exists to-day, though there are many just claims from the North as well. Bills come over from the Senate, and the House Committee on War Claims will not exercise any jurisdiction which they may possess to act upon these bills, and I frankly state to the gentlemen who are listening to me that I think these bills ought to be acted upon.

As I suggested before, we have, with a superlative outburst of generosity, done and are doing splendid things for European nations, and I am in accord with the sentimental movement, though it seems to me we should be as just to those who have proper claims on our own Government, and that the House should act in consonance with the Senate and pass these bills for the relief of persons who were loyal to the Union in the Civil War. We are not asking this relief for persons who followed the lost cause, but we think Congress should attend to and consider the claims of loyal people who favored the Union cause in the Southern States during the Civil War and whose property was taken for war purposes. Will the gentleman from Connecticut answer my question?

Mr. TILSON. I am not on the Committee on War Claims, and therefore can not speak for that committee, but it seems to me this is not the proper time to enter into that.

Mr. STRONG of Kansas. If the gentleman will yield to me, I am chairman of the Committee on War Claims. The Civil War has gone into history now 61 years, and most of the testimony relating to these claims has passed away. The Government, therefore, is not in position to defend itself against these claims, and it seems to the members of the Committee on War Claims that it is time that the statute of limitations should run.

Various procedure has been instigated by the Congress in order to get these claims settled. At the time we established the Southern Claims Commission, and later, the power was granted to send claims to the Court of Claims without the action of Congress: The Bowman Act, granting such authority, was repealed in March, 1911, and the Tucker Act was repealed in March, 1915, and the Committee on War Claims, before I became a member of it in 1919, decided to stop waiving the statute of limitations, upon the theory that these claims had had over 50 years in which to be adjudicated, and that inasmuch as the Government can not procure the testimony to defend itself properly, the statute should run. We have continued to maintain that position.

Because the Senate did pass a few Civil War claims about six or seven weeks ago, pressure has been brought upon my committee to consider those claims. We finally took two weeks for the consideration of the claims and various claimants interviewed different members of the committee urging that the bar be removed and such claims be considered. Finally by an almost unanimous vote the committee determined to maintain its rule and not consider claims that had originated prior to the Spanish-American War.

We have hundreds of claims of the recent war that we do not get time to put through this House. Members all know that it is very hard to get a private claim through the House. There are a great number of claims growing out of the recent war which are demanding attention and ought to be considered while the testimony can be secured. If we defer doing so and begin again to occupy the time of our committee with Civil War claims we will fill the calendar with hundreds of claims from the Civil War and the House would be so prejudiced against us that our committee would not get proper consideration for the just claims which are now pending from the World War.

Mr. O'CONNOR of Louisiana. Will the gentleman permit me to interrupt him?

Mr. STRONG of Kansas. I will be glad to do so.

Mr. O'CONNOR of Louisiana. The situation which the gentleman just referred to, the passing by the Senate of several bills which are presently lodged with the gentleman's committee, is just what caused me to refer to this situation. It is exceedingly embarrassing to have our constituents and friends tell us that the Senate has passed bills which the House will not consider or to compel us to tell them the House will not consider bills which the Senate has passed. Therefore, I wanted some expression which, if it would not clarify the situation, would at least give us a means of apprising our constituents of the exact condition of affairs. In so far as the gentleman's statement is concerned, that these cases are stale, I remember that down in Louisiana, where the civil law prevails, we have "prescription" as a means of acquiring property, and of leasing it—and as a plea may be set up to defeat an action. It is similar to your statute of limitation. But it is a current phrase that "no gentleman would ever plead prescription." In line with that thought, I say no great government like ours, no sovereign country, ought, in my judgment, to set up the plea of staleness against proper, meritorious, and just claims. [Applause.] The sovereign United States ought to pay its debts. The idea that the proof is not good or strong enough would go to the merits and the procedure involved in considering the claim.

Mr. STRONG of Kansas. And just being frank, I think the United States Government has paid hundreds of those claims that it ought never to have paid.

Mr. O'CONNOR of Louisiana. But is that any reason why it should not pay a just one?

Mr. STRONG of Kansas. These claims are now 60 years old, and the Government is not in a position to defend itself against them. In nearly every one of these claims the testimony has passed away, and as chairman of this committee, it is my duty to try to protect the Government, the Treasury, and the taxpayers against the collection of these claims that run into millions of dollars. For me to bring to this House a lot of such claims and have the Members object to them would not help the claimants. They would be turned down and they have been turned down for years. The gentleman would not want me to bring these claims into the House with a favorable report because the Government has no defense to them?

Mr. O'CONNOR of Louisiana. I want to protect the Government from unjust claims but I do not believe we should defeat just claims.

Mr. STRONG of Kansas. We had a claim the other day in which the testimony or proof was made by a witness only 4 years old at the time and the oldest witness was only 9 years old.

Mr. O'CONNOR of New York. Will the gentleman yield?

Mr. STRONG of Kansas. Yes.

Mr. O'CONNOR of New York. There was a claim approved by the Court of Claims, but accidentally it was dropped out of the omnibus bill of 1915, and because it has the words "Civil War" in it the committee will not consider it. Everybody admits it was passed and approved, but because the words "Civil War" are in it you apply that limitation.

Mr. STRONG of Kansas. But if the gentleman will read the decision of the Court of Claims he will find it probably says that this claim is not a legal and equitable claim against the Government.

Mr. O'CONNOR of New York. But the Court of Claims passed it.

Mr. STRONG of Kansas. Let me finish my statement, please. You will find the decision probably says that the claimant has no legal or equitable case against the Government, but because the Congress sent it down to them they find an amount due of so much. It might be well to state that the omnibus bill referred to carried 1,158 claims and cost the taxpayers millions of dollars.

Mr. O'CONNOR of New York. There is no question of proof in that claim. The claim has been approved, but you dropped it out of the omnibus bill by accident.

Mr. STRONG of Kansas. No. That was done before I came to Congress.

Mr. SANDLIN. Mr. Speaker, I ask for the regular order.

The SPEAKER. Is there objection to the request of the gentleman from Illinois [Mr. DENISON]?

There was no objection.

ADJOURNMENT

Mr. TILSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 8 minutes p. m.) the House adjourned until to-morrow, Wednesday, April 28, 1926, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for April 28, 1926, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10 a. m.)

Second deficiency bill.

COMMITTEE ON FOREIGN AFFAIRS

(10.30 a. m.)

To authorize the erection of a statue to Henry Clay (H. R. 11278).

COMMITTEE ON IRRIGATION AND RECLAMATION

(10 a. m.)

To provide for the protection and development of the lower Colorado River Basin (H. R. 9826).

COMMITTEE ON THE JUDICIARY

(10 a. m.)

Proposing an amendment to the Constitution of the United States providing for national representation for the people of the District of Columbia (H. J. Res. 208).

COMMITTEE ON POST OFFICES AND POST ROADS

(10 a. m.)

To authorize the Postmaster General to readjust the terms of certain screen-wagon contracts (S. 1930).

COMMITTEE ON PUBLIC BUILDINGS AND GROUNDS

(10.30 a. m.)

To convey to the city of Oshkosh, Wis., certain Government property (H. R. 11353).

JOINT COMMITTEE ON THE PUBLIC LANDS

(10.30 a. m.)

To investigate the Northern Pacific Railway land grants.

COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE

(10.30 a. m.)

Legislation relative to labor disputes in the coal-mining industry.

COMMITTEE ON WORLD WAR VETERANS' LEGISLATION

(10.30 a. m.)

Proposed bill amending the World War veterans' act with reference to the appointment of guardians.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

484. A communication from the President of the United States, transmitting a supplemental estimate of appropriation under the legislative establishment, Architect of the Capitol, fiscal years 1926 and 1927, in the sum of \$69,500 (H. Doc. No. 356); to the Committee on Appropriations and ordered to be printed.

485. A communication from the President of the United States, transmitting supplemental estimates of appropriations for the Department of the Interior, for the fiscal year ending June 30, 1926, amounting to \$80,345, and for the fiscal year ending June 30, 1927, \$300,000; also drafts of proposed legislation affecting existing appropriations (H. Doc. No. 357); to the Committee on Appropriations and ordered to be printed.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII.

Mr. TINCHER: Committee on Agriculture. H. R. 11618. A bill to establish a Federal farm advisory council and a farmers' marketing commission; to aid in the development of major cooperative associations for the marketing of agricultural commodities; to aid in the disposition of surpluses of such commodities; and for other purposes; without amendment (Rept. No. 994). Referred to the Committee of the Whole House on the state of the Union.

Mr. HAUGEN: Committee on Agriculture. H. R. 11603. A bill to establish a Federal farm board to aid in the orderly marketing and in the control and disposition of the surplus of agricultural commodities; without amendment (Rept. No. 1003). Referred to the Committee of the Whole House on the state of the Union.

Mr. ASWELL: Committee on Agriculture. H. R. 11606. A bill to place the agricultural industry on a sound commercial basis, to encourage national cooperative marketing of farm products, and for other purposes; without amendment (Rept. No. 1004). Referred to the Committee of the Whole House on the state of the Union.

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 10605. A bill to extend the times for commencing and completing the construction of a bridge across the Wabash River at the city of Mt. Carmel, Ill.; with an amendment (Rept. No. 1005). Referred to the House Calendar.

Mr. NEWTON of Minnesota: Committee on Interstate and Foreign Commerce. H. R. 10771. A bill granting the consent of Congress to the Northern Pacific Railway Co. to construct a bridge across the Mississippi River at Little Falls, Minn.; without amendment (Rept. No. 1006). Referred to the House Calendar.

Mr. NEWTON of Minnesota: Committee on Interstate and Foreign Commerce. H. R. 10895. A bill granting the consent of Congress to the Northern Pacific Railway Co., a corporation organized under the laws of the State of Wisconsin, to construct a bridge across the Mississippi River in the city of Minneapolis, in the State of Minnesota; without amendment (Rept. No. 1007). Referred to the House Calendar.

Mr. DENISON: Committee on Interstate and Foreign Commerce. H. R. 10929. A bill granting the consent of Congress to the Pittsburgh, Cincinnati, Chicago & St. Louis Railroad Co., its successors and assigns, to construct a bridge across the Little Calumet River in Thornton Township, Cook County, Ill.; without amendment (Rept. No. 1008). Referred to the House Calendar.

Mr. PARKS: Committee on Interstate and Foreign Commerce. H. R. 10942. A bill to extend the time for commencing and completing the construction of a bridge across the White River near Augusta, Ark.; with amendment (Rept. No. 1009). Referred to the House Calendar.

Mr. HAWES: Committee on Interstate and Foreign Commerce. H. R. 10975. A bill granting the consent of Congress to Missouri State Highway Commission to construct a bridge across Current River; with amendment (Rept. No. 1010). Referred to the House Calendar.

Mr. COOPER of Ohio: Committee on Interstate and Foreign Commerce. H. R. 11082. A bill granting the consent of Congress to the board of county commissioners of Trumbull County, Ohio, to construct an overhead viaduct across the Mahoning River at Girard, Trumbull County, Ohio; with amendment (Rept. No. 1011). Referred to the House Calendar.

Mr. HAWES: Committee on Interstate and Foreign Commerce. H. R. 11175. A bill granting the consent of Congress to Missouri State Highway Commission to construct a bridge

across Current River; with amendment (Rept. No. 1012). Referred to the House Calendar.

Mr. VINSON of Kentucky: Committee on Military Affairs. S. 2733. An act for the relief of the State of North Carolina; without amendment (Rept. No. 1013). Referred to the Committee of the Whole House on the state of the Union.

Mr. LEHLBACH: Committee on the Civil Service. S. 3560. An act to authorize the granting of leave to ex-service men and women to attend the annual convention of the American Legion in Paris, France, in 1927; without amendment (Rept. No. 1014). Referred to the Committee of the Whole House on the state of the Union.

Mr. WASON: Committee on Disposition of Useless Executive Papers. A report on the disposition of useless papers in the Navy Department (Rept. No. 1016). Ordered printed.

Mr. HILL of Maryland: Committee on Military Affairs. S. 1480. An act to authorize the President to detail officers and enlisted men of the United States Army, Navy, and Marine Corps to assist the governments of the Latin-American Republics in military and naval matters; without amendment (Rept. No. 1018). Referred to the Committee of the Whole House on the state of the Union.

Mr. FURLOW: Committee on Military Affairs. S. 1482. An act to authorize the Secretary of War to grant easements in and upon public military reservations and other lands under his control; with amendment (Rept. No. 1019). Referred to the Committee of the Whole House on the state of the Union.

Mr. HILL of Maryland: Committee on Military Affairs. S. 1484. An act to amend section 1, act of March 4, 1909 (sundry civil act), so as to make the Chief of Finance of the Army a member of the board of commissioners of the United States Soldiers' Home; with amendment (Rept. No. 1020). Referred to the Committee of the Whole House on the state of the Union.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. UNDERHILL: Committee on Claims. S. 104. An act to carry out the decree of the United States District Court for the Eastern District of Pennsylvania in the case of United States of America, owner of the steam dredge *Delaware*, against the steamship *A. A. Raven*, American Transportation Co., claimant, and to pay the amount decreed to be due said company; with amendment (Rept. No. 995). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on War Claims. S. 1903. An act for the relief of Capt. Murray A. Cobb; without amendment (Rept. No. 996). Referred to the Committee of the Whole House.

Mr. UNDERHILL: Committee on Claims. H. R. 1136. A bill for the relief of Richard Weatherston; with amendment (Rept. No. 997). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on War Claims. H. R. 5783. A bill for the relief of Gershon Bros. Co.; with amendment (Rept. No. 998). Referred to the Committee of the Whole House.

Mr. BOX: Committee on Claims. H. R. 7942. A bill for the relief of James E. Judge, sr.; without amendment (Rept. No. 999). Referred to the Committee of the Whole House.

Mr. SABATH: Committee on Claims. H. R. 8487. A bill for the relief of the heirs of Jacob Thomas; with amendment (Rept. No. 1000). Referred to the Committee of the Whole House.

Mr. SWEET: Committee on War Claims. H. R. 10178. A bill to confer jurisdiction on the Court of Claims to hear and adjudicate the claim of Lester P. Barlow against the United States; with amendment (Rept. No. 1001). Referred to the Committee of the Whole House.

Mr. WINTER: Committee on War Claims. H. R. 10424. A bill to ratify the action of a local board of sales control in respect of a contract between the United States and Max Hagedorn, of LaGrange, Ga.; without amendment (Rept. No. 1002). Referred to the Committee of the Whole House.

Mr. TEMPLE: Committee on Foreign Affairs. S. J. Res. 2. A joint resolution for the relief of George Horton; without amendment (Rept. No. 1015). Referred to the Committee of the Whole House.

CHANGE OF REFERENCE

Under clause 2 of Rule XXII, committees were discharged from the consideration of the following bills, which were referred as follows:

A bill (S. 2444) for the relief of Lilly O. Dyer; Committee on Claims discharged, and referred to the Committee on Foreign Affairs.

A bill (S. 102) to carry into effect the finding of the Court of Claims in the claim of Elizabeth B. Eddy; Committee on Claims discharged, and referred to the Committee on War Claims.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. KNUTSON: A bill (H. R. 11656) forfeiting certain lands heretofore granted to the Minnesota & Manitoba Railroad Co. and providing for the disposal of said forfeited lands to actual settlers; to the Committee on the Public Lands.

By Mr. CARPENTER: A bill (H. R. 11657) to extend the time for the construction of a bridge across the North Branch of the Susquehanna River from the city of Wilkes-Barre to the borough of Dorranceton, Pa.; to the Committee on Interstate and Foreign Commerce.

By Mr. CHINDBLOM: A bill (H. R. 11658) to amend section 523 of the tariff act of 1922; to the Committee on Ways and Means.

By Mr. HULL of Tennessee: A bill (H. R. 11659) to repeal certain paragraphs and provisions and clauses of the tariff act of 1922; to the Committee on Ways and Means.

By Mr. FREE: A bill (H. R. 11660) authorizing cooperative associations and commercial dealers to enter into agreements for the advertising of farm and food products and to deduct a pro rata amount from the purchase price of said products for such purpose; to the Committee on Agriculture.

By Mr. FREDERICKS: A bill (H. R. 11661) to amend section 3114 of the Revised Statutes of the United States, as amended; to the Committee on Ways and Means.

By Mr. LEAVITT: A bill (H. R. 11662) authorizing an expenditure of tribal funds of the Crow Indians of Montana to employ counsel to represent them in their claims against the United States; to the Committee on Indian Affairs.

By Mr. SOMERS of New York: A bill (H. R. 11663) for the apportionment of Representatives in Congress amongst the several States under subsequent decennial censuses; to the Committee on the Census.

By Mr. LOWREY: Joint resolution (H. J. Res. 238) relating to the use of the metric system of weights and measures in the United States; to the Committee on Coinage, Weights, and Measures.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. CANFIELD: A bill (H. R. 11664) granting a pension to Helen Ent; to the Committee on Invalid Pensions.

By Mr. CARPENTER: A bill (H. R. 11665) granting a pension to George H. Johnson; to the Committee on Pensions. Also, a bill (H. R. 11666) granting a pension to Lester P. Bloom; to the Committee on Pensions.

By Mr. CHAPMAN: A bill (H. R. 11667) granting an increase of pension to Margaret A. Bloom; to the Committee on Invalid Pensions.

By Mr. CORNING: A bill (H. R. 11668) granting a pension to Amy E. Sagendorf; to the Committee on Invalid Pensions.

By Mr. CROWTHER: A bill (H. R. 11669) granting an increase of pension to Jennie Smith; to the Committee on Invalid Pensions.

By Mr. DENISON: A bill (H. R. 11670) granting a pension to Ellen J. McConachie; to the Committee on Invalid Pensions.

By Mr. FAUST: A bill (H. R. 11671) granting an increase of pension to Judith Ann Hay; to the Committee on Invalid Pensions.

By Mr. HOOPER: A bill (H. R. 11672) for the relief of Asaid Henry; to the Committee on Military Affairs.

By Mr. MORTON D. HULL: A bill (H. R. 11673) granting an increase of pension to Jane H. Zimmerman; to the Committee on Invalid Pensions.

By Mr. KELLER: A bill (H. R. 11674) for the relief of Jens H. Larsen; to the Committee on Claims.

By Mr. LAMPERT: A bill (H. R. 11675) granting an increase of pension to Johanna Dalstrom; to the Committee on Invalid Pensions.

By Mr. LEHLBACH: A bill (H. R. 11676) granting an increase of pension to Hannah E. Pemberton; to the Committee on Invalid Pensions.

By Mr. MacGREGOR: A bill (H. R. 11677) granting a pension to Sarah Cornell; to the Committee on Pensions.

By Mr. McKEOWN: A bill (H. R. 11678) granting a pension to Sarah Gray; to the Committee on Invalid Pensions.

By Mr. McREYNOLDS: A bill (H. R. 11679) for the relief of John W. Bates; to the Committee on Military Affairs.

By Mr. MURPHY: A bill (H. R. 11680) granting an increase of pension to Nancy Kerr; to the Committee on Invalid Pensions.

By Mr. PARKER: A bill (H. R. 11681) granting an increase of pension to Celina P. Rose; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11682) granting an increase of pension to Katherine E. Tarbell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11683) granting an increase of pension to Hannah Cull; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11684) granting an increase of pension to Flora L. Patterson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11685) granting an increase of pension to Sarah Jane Patten; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11686) granting an increase of pension to Mary La Port; to the Committee on Invalid Pensions.

By Mr. REED of New York: A bill (H. R. 11687) granting an increase of pension to Martha Allen; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11688) granting an increase of pension to Mary A. Wait; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11689) granting an increase of pension to Harriet E. Putnam; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11690) granting an increase of pension to Mariam Peck West; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11691) granting an increase of pension to Emerline Colvin; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11692) granting an increase of pension to Helen Rowell; to the Committee on Invalid Pensions.

By Mr. ESTERLY: A bill (H. R. 11693) granting an increase of pension to Caroline M. Heckman; to the Committee on Invalid Pensions.

By Mr. ROUSE: A bill (H. R. 11694) granting a pension to Eugenie C. Brandt; to the Committee on Invalid Pensions.

By Mr. SPROUL of Kansas: A bill (H. R. 11695) granting an increase of pension to Angela Welker; to the Committee on Invalid Pensions.

By Mr. STALKER: A bill (H. R. 11696) granting an increase of pension to Lucy L. L'Amoureux; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11697) granting an increase of pension to Nellie F. Carey; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11698) granting an increase of pension to Anna Tharp; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11699) granting an increase of pension to Mary A. Ackley; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11700) granting an increase of pension to Mary F. Lewis; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11701) granting an increase of pension to Harriett E. Beary; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11702) granting an increase of pension to Etta A. Mayers; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11703) granting an increase of pension to Olive Perham; to the Committee on Invalid Pensions.

By Mr. TABER: A bill (H. R. 11704) granting an increase of pension to Elisa Sherman; to the Committee on Invalid Pensions.

Also, a bill (H. R. 11705) granting an increase of pension to Annie Van De Water; to the Committee on Invalid Pensions.

By Mr. TAYLOR of Tennessee: A bill (H. R. 11706) granting an increase of pension to Susan E. Hodges; to the Committee on Pensions.

Also, a bill (H. R. 11707) granting a pension to Lucy Braden; to the Committee on Invalid Pensions.

By Mr. WOOD: A bill (H. R. 11708) granting an increase of pension to Elsie Albaugh; to the Committee on Invalid Pensions.

By Mr. WURZBACH: A bill (H. R. 11709) for the relief of R. J. Kutzer; to the Committee on Military Affairs.

By Mr. YATES: A bill (H. R. 11710) granting an increase of pension to Sophronia J. Vertrees; to the Committee on Invalid Pensions.

By Mr. CARTER of California: Joint resolution (H. J. Res. 237) to extend the benefits of the World War veterans' act, as amended, to Jerry Tarbot; to the Committee on World War Veterans' Legislation.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

1949. By Mr. BEERS: Petition of ministers and members of congregations of churches throughout the eighteenth congressional district of Pennsylvania, protesting against a modification of the Volstead Act; to the Committee on the Judiciary.

1950. By Mr. BRIGGS: Telegram of W. H. Oates and all citizens of Weldon, Tex., urging passage of Senate bill 750; to the Committee on Interstate and Foreign Commerce.

1951. By Mr. CONNERY: Resolution of the Boston Central Labor Union, against all legislation demanding the fingerprinting and photographing of noncitizens of this country; to the Committee on Immigration and Naturalization.

1952. Also, vote of the Mens' Brotherhood, Parker Street Methodist Episcopal Church, Lawrence, Mass., in favor of prohibition; to the Committee on the Judiciary.

1953. Also, resolutions adopted by the Massachusetts modification conference; to the Committee on the Judiciary.

1954. By Mr. FULLER: Petition of Charles B. H. Miller and others, urging support of the Federal farm board bill; to the Committee on Agriculture.

1955. Also, petition of Woman's Missionary Society of the Bethlehem Methodist Episcopal Church, South, Bishopville, S. C., protesting against any modification of the Volstead Act; to the Committee on the Judiciary.

1956. By Mr. GALLIVAN: Petition of E. H. Forbush, director division of ornithology, department of agriculture, state-house, Boston, Mass., recommending early and favorable consideration of House bill 7479, known as the migratory bird refuge and marsh land conservation act; to the Committee on Agriculture.

1957. By Mr. GARNER of Texas: Memorial of Max Autrey Post, No. 377, of the American Legion, Houston, Tex., favoring passage of legislation for retirement of disabled emergency officers of the World War; to the Committee on World War Veterans' Legislation.

1958. Also, memorial of Lumbermen's Association of Texas, favoring passage of Senate bill 750 giving to several States exclusive power to authorize new railroad construction within their respective boundaries; to the Committee on Interstate and Foreign Commerce.

1959. By Mr. GRAHAM: Petition of Philadelphia Board of Trade, opposing House bill 9498, providing compensation for death or injuries in certain maritime employment; to the Committee on the Judiciary.

1960. Also, petition of Philadelphia Board of Trade, favoring enactment of Senate bill 3681, to upbuild the American merchant marine in foreign trade, etc.; to the Committee on the Merchant Marine and Fisheries.

1961. By Mrs. KAHN: Resolution of the San Francisco County Council of the American Legion, favoring the continuance of military training in the schools and colleges of the United States, and also the continuance of the citizen's military training camps; to the Committee on Military Affairs.

1962. By Mr. KINDRED: Petition of the United States Immigration Association of New York, urging the Congress of the United States to pass the Johnson immigration bill readjusting the salary of immigration inspectors; to the Committee on Immigration and Naturalization.

1963. Also, petition of the Northeastern Interstate Bus Owners' Association to the Interstate and Foreign Commerce Committee of the House of Representatives to grant a hearing of the Reed-Bacharach bill as amended; to the Committee on Interstate and Foreign Commerce.

1964. Also, resolution unanimously adopted by the Jamaica Women's Republic Club, Jamaica, New York City, urging passage of Senate bill 786 and House bill 7; to the Committee on the Civil Service.

1965. By Mr. MORROW: Petition of nurses at Fort Bayard, N. Mex., indorsing Fitzgerald and Johnson World War veteran legislation; to the Committee on World War Veterans' Legislation.

1966. By Mr. O'CONNELL of New York: Petition of the Jamaica Women's Republican Club, of Jamaica, Long Island, New York, favoring the passage of the Stanfield-Lehlbach retirement bills (S. 786 and H. R. 7); to the Committee on the Civil Service.

1967. Also, petition of the Fifth Avenue Association, New York City, favoring the passage of Senate bill 1883 to create a national police bureau; to the Committee on the Judiciary.

1968. Also, petition of the United States Immigration Association, Ellis Island, N. Y., urging favorable action of Chairman Johnson's immigration salary readjustments of immigration inspectors; to the Committee on Immigration and Naturalization.

1969. By Mr. ROMJUE: Petition of James Smith, secretary, and Charles Selby, president, of Scotland County, Mo., farmers' meeting, favoring the Dickinson bill; to the Committee on Agriculture.

1970. By Mr. SOMERS of New York: Resolutions adopted by the Long Island Federation of Women's Clubs, opposing

the passage of the Wadsworth-Perlman bill; to the Committee on Immigration and Naturalization.

1971. Also, resolutions adopted by the Metal Trades Council, Brooklyn, N. Y., urging the passage of Senate bill 786 and House bill 7; to the Committee on the Civil Service.

1972. By Mr. SWING: Petition of certain residents of Hinkley and Barstow, Calif., protesting against the passage of House bill 7179, for the compulsory observance of Sunday for the District of Columbia; to the Committee on the District of Columbia.

1973. Also, petition of certain residents of California, protesting against the passage of House bill 7179, for the compulsory observance of Sunday in the District of Columbia; to the Committee on the District of Columbia.

1974. Also, petition of certain residents of San Diego and National City, Calif., protesting against the passage of House bill 7179, for the compulsory observance of Sunday in the District of Columbia; to the Committee on the District of Columbia.

1975. Also, petition of certain residents of Ontario, Calif., protesting against the passage of House bill 7179, for the compulsory observance of Sunday in the District of Columbia; to the Committee on the District of Columbia.

1976. Also, petition of certain residents of Loma Linda, Calif., protesting against the passage of House bill 7179, for the compulsory observance of Sunday in the District of Columbia; to the Committee on the District of Columbia.

1977. Also, petition of certain residents of Riverside, Calif., protesting against the passage of House bill 7179, for the compulsory observance of Sunday in the District of Columbia; to the Committee on the District of Columbia.

1978. Also, petition of certain residents of California, protesting against the passage of House bills 7179, 7822, and 10123, for the compulsory observance of Sunday in the District of Columbia; to the Committee on the District of Columbia.

SENATE

WEDNESDAY, April 28, 1926

(Legislative day of Monday, April 19, 1926)

The Senate reassembled at 12 o'clock meridian, on the expiration of the recess.

The VICE PRESIDENT. The Senate will receive a message from the House of Representatives.

MESSAGE FROM THE HOUSE

A message from the House of Representatives, by Mr. Haltigan, one of its clerks, announced that the House had passed a bill (H. R. 10729) to create a bureau of customs and a bureau of prohibition in the Department of the Treasury, in which it requested the concurrence of the Senate.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

The message also announced that the Speaker of the House had affixed his signature to the following enrolled bills and joint resolution, and they were thereupon signed by the Vice President:

S. 2091. An act for the relief of Florence Proud;
H. R. 6556. An act for the establishment of artificial bathing pools or beaches in the District of Columbia;

H. R. 6774. An act to authorize the settlement of the indebtedness of the Government of the Kingdom of Belgium to the Government of the United States of America;

H. R. 7470. An act to authorize the Secretary of War to grant to the New York, Chicago & St. Louis Railway Co., its successors or assigns, a perpetual easement for railroad right of way over and upon Camp Sherman Military Reservation in the State of Ohio;

H. R. 8830. An act amending the act entitled "An act providing for a comprehensive development of the park and playground system of the National Capital," approved June 6, 1924;

H. R. 10275. An act authorizing appropriations for construction at military posts, and for other purposes; and

H. J. Res. 204. Joint resolution authorizing certain military organizations to visit France, England, and Belgium.

SETTLEMENT OF INDEBTEDNESS OF THE CZECHOSLOVAK REPUBLIC

Mr. SMOOT. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of House bill 6777, the Czechoslovakian debt settlement bill.

The VICE PRESIDENT. Is there objection?

There being no objection, the Senate, as in Committee of the Whole, proceeded to consider the bill (H. R. 6777) to authorize

the settlement of the indebtedness of the Czechoslovak Republic to the United States of America, which was read, as follows:

Be it enacted, etc., That the settlement of the indebtedness of the Czechoslovak Republic to the United States of America made by the World War Foreign Debt Commission and approved by the President upon the terms and conditions as set forth in Senate Document No. 6, Sixty-ninth Congress, first session, is hereby approved in general terms as follows:

The net amount of the indebtedness in settlement of the financial differences between the two Governments and/or their agencies, both principal and interest, is fixed as of June 15, 1925, at \$115,000,000.

The principal amount of the bonds to be delivered to the United States is \$185,071,023.07, the increase over the funded indebtedness as of June 15, 1925, being due to the smaller payments during the first 18 years than would have been payable upon the basis of the British-American settlement, this difference being funded over the remaining 44 years, compounded annually, at the rates of 3 per cent per annum up to and including the tenth year and 3½ per cent per annum from the eleventh to the eighteenth year, both inclusive. The principal of the bonds shall be paid in semiannual installments on June 15 and December 15 of each year up to and including June 15, 1943, and thereafter in annual installments, subject to the right of the Czechoslovak Republic, after June 15, 1943, to make such payments in three-year periods. The first 36 semiannual installments are to be \$1,500,000 each, and are to be paid without interest on June 15 and December 15 of each year. The remaining 44 installments are to be paid annually on June 15 of each year, with interest at the rate of 3½ per cent per annum from June 15, 1943, payable semiannually on June 15 and December 15 of each year. The amount of the installment due in the nineteenth year is \$1,296,023.07, the annual installments to increase thereafter until in the sixty-second year the amount of the final installment will be \$5,685,000, the aggregate installments being equal to the total face amount of bonds to be delivered, namely, \$185,071,023.07.

The Czechoslovak Republic shall have the right to pay off additional amounts of the principal of the bonds on June 15 or December 15 of any year upon not less than 90 days' advance notice.

Any payments of interest or principal may be made at the option of the Czechoslovak Republic in any United States obligations issued after April 6, 1917, such obligations to be taken at par and accrued interest.

Passed the House of Representatives January 16, 1926.

Mr. SMOOT. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Ernst	Kendrick	Pine
Bayard	Fernald	Keyes	Ransdell
Bingham	Ferris	King	Reed, Mo.
Blease	Fess	La Follette	Reed, Pa.
Borah	Frazier	Lenroot	Robinson, Ark.
Bratton	George	McKellar	Sackett
Broussard	Gerry	McKinley	Sheppard
Bruce	Gillett	McLean	Shipstead
Butler	Glass	McMaster	Shortridge
Cameron	Goff	McNary	Smoot
Caraway	Gooding	Means	Stanfield
Copeland	Greene	Metcalf	Steck
Couzens	Hale	Neely	Stephens
Cummins	Harrell	Norbeck	Swanson
Curtis	Harris	Norris	Trammell
Dale	Harrison	Nye	Wadsworth
Deneen	Howell	Oddie	Warren
Dill	Johnson	Overman	Watson
Edge	Jones, N. Mex.	Pepper	Willis
Edwards	Jones, Wash.	Phipps	

Mr. CURTIS. I desire to announce that my colleague [Mr. CAPPER] is absent on account of illness in his family. I will let this announcement stand for the day.

Mr. McKELLAR. The junior Senator from Tennessee [Mr. TYSON] is unavoidably absent. He has a general pair with the senior Senator from Ohio [Mr. WILLIS]. I ask that this announcement may stand for the day.

The VICE PRESIDENT. Seventy-nine Senators having answered to their names, a quorum is present.

SESQUICENTENNIAL OF AMERICAN INDEPENDENCE AND THOMAS JEFFERSON CENTENNIAL COMMISSION

The VICE PRESIDENT. In accordance with the provisions of Senate Joint Resolution 30, authorizing the establishment of a commission to be known as the Sesquicentennial of American Independence and the Thomas Jefferson Centennial Commission of the United States, in commemoration of the one hundred and fiftieth anniversary of the signing of the Declaration of Independence, the Chair appoints as members of the commission on the part of the Senate Messrs. COPELAND, CURTIS, FESS, and ROBINSON of Arkansas.